

House Amendment to  
Senate File 2088

S-5072

1 Amend Senate File 2088, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. By striking page 1, line 3, through page 9, line  
4 34, and inserting:

5 Sec. \_\_\_\_\_. Section 8.6, Code Supplement 2009, is  
6 amended by adding the following new subsection:

7 NEW SUBSECTION. 17. Provide such assistance and  
8 administrative support services to the information  
9 technology division, created in section 8B.2, as the  
10 department and the division determine maximizes the  
11 efficiency and effectiveness of both the department and  
12 division.

13 Sec. \_\_\_\_\_. Section 8A.101, unnumbered paragraph 1,  
14 Code 2009, is amended to read as follows:

15 As used in this chapter and chapter 8B, unless the  
16 context otherwise requires:

17 Sec. \_\_\_\_\_. Section 8A.104, subsection 12, Code 2009,  
18 is amended by striking the subsection.

19 Sec. \_\_\_\_\_. Section 8A.111, subsections 3, 4, and 5,  
20 Code 2009, are amended by striking the subsections.

21 SUBCHAPTER I

22 ADMINISTRATION — GENERAL PROVISIONS

23 Sec. \_\_\_\_\_. NEW SECTION. **8B.1 Definitions.**

24 As used in this chapter, unless the context  
25 otherwise requires:

26 1. "*Council*" means the technology advisory council  
27 created in section 8B.8.

28 2. "*Division*" means the information technology  
29 division of the department of management.

30 3. "*Information technology*" means computing and  
31 electronics applications used to process and distribute  
32 information in digital and other forms and includes  
33 information technology devices, information technology  
34 services, infrastructure services, and value added  
35 services.

36 4. "*Information technology device*" means equipment  
37 or associated software, including programs, languages,  
38 procedures, or associated documentation, used  
39 in operating the equipment which is designed for  
40 utilizing information stored in an electronic format.

41 "*Information technology device*" includes but is not  
42 limited to computer systems, computer networks, and  
43 equipment used for input, output, processing, storage,  
44 display, scanning, and printing.

45 5. "*Information technology services*" means services  
46 designed to do any of the following:

47 a. Provide functions, maintenance, and support of  
48 information technology devices.

49 b. Provide services including but not limited to  
50 any of the following:

- 1 (1) Computer systems application development and
- 2 maintenance.
- 3 (2) Systems integration and interoperability.
- 4 (3) Operating systems maintenance and design.
- 5 (4) Computer systems programming.
- 6 (5) Computer systems software support.
- 7 (6) Planning and security relating to information
- 8 technology devices.
- 9 (7) Data management consultation.
- 10 (8) Information technology education and
- 11 consulting.
- 12 (9) Information technology planning and standards.
- 13 (10) Establishment of workstation management
- 14 standards.
- 15 6. *"Infrastructure services"* includes all of the
- 16 following:
  - 17 a. Data centers used to support mainframe and other
  - 18 computers and their associated components including
  - 19 servers, information networks, storage systems,
  - 20 redundant or backup power systems, redundant data
  - 21 communications connections, environmental controls, and
  - 22 security devices.
  - 23 b. Servers, mainframes, or other centralized
  - 24 processing systems.
  - 25 c. Storage systems, including but not limited to
  - 26 disk, tape, optical, and other structured repositories
  - 27 for storing digital information.
  - 28 d. Computer networks commonly referred to as local
  - 29 area networks.
  - 30 e. Network services, including equipment and
  - 31 software which support local area networks, campus
  - 32 area networks, wide area networks and metro area
  - 33 networks. Network services also include data network
  - 34 services such as routers, switches, firewalls, virtual
  - 35 private networks, intrusion detection systems, access
  - 36 control, internet protocol load balancers, event
  - 37 logging and correlation, and content caching. Network
  - 38 services do not include services provided by the Iowa
  - 39 communications network pursuant to chapter 8D or by
  - 40 the public broadcasting division of the department of
  - 41 education.
  - 42 f. Groupware applications used to facilitate
  - 43 collaboration, communication, and workflow, including
  - 44 electronic mail, directory services, calendaring and
  - 45 scheduling, and imaging systems.
  - 46 g. Information technology help desk services.
  - 47 h. Cyber security functions and equipment.
  - 48 i. Digital printing and printing procurement
  - 49 services.
  - 50 j. Data warehouses, including services that assist

1 in managing and locating digital information.

2 k. Disaster recovery technology and services.

3 l. Other similar or related services as determined  
4 by the chief information officer.

5 7. "*Participating agency*" means any state agency,  
6 except the state board of regents and institutions  
7 operated under the authority of the state board of  
8 regents.

9 8. "*Value-added services*" means services that  
10 offer or provide unique, special, or enhanced value,  
11 benefits, or features to the customer or user including  
12 but not limited to services in which information  
13 technology is specially designed, modified, or adapted  
14 to meet the special or requested needs of the user or  
15 customer; services involving the delivery, provision,  
16 or transmission of information or data that require or  
17 involve additional processing, formatting, enhancement,  
18 compilation, or security; services that provide the  
19 customer or user with enhanced accessibility, security,  
20 or convenience; research and development services; and  
21 services that are provided to support technological  
22 or statutory requirements imposed on participating  
23 agencies and other governmental entities, businesses,  
24 and the public.

25 Sec. \_\_\_\_ . NEW SECTION. 8B.2 Division created —  
26 chief information officer appointed.

27 1. The information technology division is created  
28 as an independent office within the department  
29 of management. The division is to be headed and  
30 administered by the chief information officer for  
31 the state. The chief information officer shall be  
32 appointed by the governor to serve at the pleasure of  
33 the governor and is subject to confirmation by the  
34 senate. If the office becomes vacant, the vacancy  
35 shall be filled in the same manner as provided for the  
36 original appointment.

37 2. The person appointed as the chief information  
38 officer for the state shall be professionally qualified  
39 by education and have no less than five years'  
40 experience in the field of information technology, and  
41 a working knowledge of financial management. The chief  
42 information officer shall not be a member of any local,  
43 state, or national committee of a political party,  
44 an officer or member of a committee in any partisan  
45 political club or organization, or hold or be a  
46 candidate for a paid elective public office. The chief  
47 information officer is subject to the restrictions on  
48 political activity provided in section 8A.416 and shall  
49 not serve as an employee in any other executive branch  
50 agency.

1     Sec. \_\_\_\_\_. NEW SECTION.   **8B.3 Division — purpose**  
2 **— mission.**

- 3     1. The division is created for the purpose of  
4 managing and coordinating the major information  
5 technology resources of state government.  
6     2. The mission of the division is to provide high  
7 quality, customer focused information technology  
8 services and business solutions to government and to  
9 citizens.

10    Sec. \_\_\_\_\_. NEW SECTION.   **8B.4 Powers and duties of**  
11 **the chief information officer.**

12    The chief information officer shall do all of the  
13 following:

- 14    1. Coordinate the internal operations of  
15 the division and develop and implement policies  
16 and procedures designed to ensure the efficient  
17 administration of the division.  
18    2. Appoint all personnel deemed necessary for the  
19 administration of the division's functions as provided  
20 in this chapter.  
21    3. Prepare an annual budget for the division.  
22    4. Develop and recommend legislative proposals  
23 deemed necessary for the continued efficiency of the  
24 division's functions, and review legislative proposals  
25 generated outside the division which are related to  
26 matters within the division's purview.  
27    5. Adopt rules deemed necessary for the  
28 administration of this chapter in accordance with  
29 chapter 17A.  
30    6. Prescribe and adopt information technology  
31 standards and rules.  
32    7. Develop and recommend legislative proposals  
33 deemed necessary for the continued efficiency of  
34 the division in performing information technology  
35 functions, and review legislative proposals generated  
36 outside of the division which are related to matters  
37 within the division's purview.  
38    8. Provide advice to the governor on issues related  
39 to information technology.  
40    9. Consult with agencies and other governmental  
41 entities on issues relating to information technology.  
42    10. Work with all governmental entities in an  
43 effort to achieve the information technology goals  
44 established by the division.  
45    11. Utilize, in a manner determined by the chief  
46 information officer, such assistance and administrative  
47 support services as provided by the department of  
48 management as the division determines maximizes the  
49 efficiency and effectiveness of the division.  
50    12. Enter into contracts for the receipt and

1 provision of services as deemed necessary. The chief  
2 information officer and the governor may obtain and  
3 accept grants and receipts to or for the state to be  
4 used for the administration of the division's functions  
5 as provided in this chapter.

6 13. Exercise and perform such other powers and  
7 duties as may be prescribed by law.

8 Sec. \_\_\_\_\_. NEW SECTION. **8B.5 Prohibited interests**  
9 **— penalty.**

10 The chief information officer shall not have any  
11 pecuniary interest, directly or indirectly, in any  
12 contract for supplies furnished to the state, or in any  
13 business enterprise involving any expenditure by the  
14 state. A violation of the provisions of this section  
15 is a serious misdemeanor, and upon conviction, the  
16 chief information officer shall be removed from office  
17 in addition to any other penalty.

18 Sec. \_\_\_\_\_. NEW SECTION. **8B.6 Acceptance of funds.**

19 The division may receive and accept donations,  
20 grants, gifts, and contributions in the form of moneys,  
21 services, materials, or otherwise, from the United  
22 States or any of its agencies, from this state or any  
23 of its agencies, or from any other person, and may use  
24 or expend such moneys, services, materials, or other  
25 contributions, or issue grants, in carrying out the  
26 operations of the division. All federal grants to and  
27 the federal receipts of the division are appropriated  
28 for the purpose set forth in such federal grants  
29 or receipts. The division shall report annually to  
30 the general assembly on or before September 1 the  
31 donations, grants, gifts, and contributions with a  
32 monetary value of one thousand dollars or more that  
33 were received during the most recently concluded fiscal  
34 year.

35 Sec. \_\_\_\_\_. NEW SECTION. **8B.7 Federal funds.**

36 1. Neither the provisions of this chapter nor  
37 rules adopted pursuant to this chapter shall apply  
38 in any situation where such provision or rule is in  
39 conflict with a governing federal regulation or where  
40 the provision or rule would jeopardize the receipt of  
41 federal funds.

42 2. If it is determined by the attorney general that  
43 any provision of this chapter would cause denial of  
44 funds or services from the United States government  
45 which would otherwise be available to an agency of this  
46 state, such provision shall be suspended as to such  
47 agency, but only to the extent necessary to prevent  
48 denial of such funds or services.

49 Sec. \_\_\_\_\_. NEW SECTION. **8B.8 Technology advisory**  
50 **council.**

1 1. *Definitions.* For purposes of this section,  
2 unless the context otherwise requires:  
3 a. "Large agency" means a participating agency  
4 with more than seven hundred full-time, year-round  
5 employees.  
6 b. "Medium-sized agency" means a participating  
7 agency with at least seventy or more full-time,  
8 year-round employees, but not more than seven hundred  
9 permanent employees.  
10 c. "Small agency" means a participating agency with  
11 less than seventy full-time, year-round employees.  
12 2. *Membership.*  
13 a. The technology advisory council is composed of  
14 ten members as follows:  
15 (1) The chief information officer.  
16 (2) The director of the department of management,  
17 or the director's designee.  
18 (3) Eight members appointed by the governor as  
19 follows:  
20 (a) Three representatives from large agencies.  
21 (b) Two representatives from medium-sized agencies.  
22 (c) One representative from a small agency.  
23 (d) Two public members who are knowledgeable and  
24 have experience in information technology matters.  
25 b. (1) Members appointed pursuant to paragraph  
26 "a", subparagraph (3), shall serve two-year staggered  
27 terms. The division shall provide, by rule, for  
28 the commencement of the term of membership for the  
29 nonpublic members. The terms of the public members  
30 shall be staggered at the discretion of the governor.  
31 (2) Sections 69.16, 69.16A, and 69.19 shall apply  
32 to the public members of the council.  
33 (3) Public members appointed by the governor are  
34 subject to senate confirmation.  
35 (4) Public members appointed by the governor may be  
36 eligible to receive compensation as provided in section  
37 7E.6.  
38 (5) Members shall be reimbursed for actual and  
39 necessary expenses incurred in performance of the  
40 members' duties.  
41 (6) A director, deputy director, or employee  
42 with information technology expertise of an agency  
43 is preferred as an appointed representative for each  
44 of the agency categories of membership pursuant to  
45 paragraph "a", subparagraph (3).  
46 c. The technology advisory council annually shall  
47 elect a chair and a vice chair from among the members  
48 of the council, by majority vote, to serve one-year  
49 terms.  
50 d. A majority of the members of the council shall

1 constitute a quorum.

2 e. Meetings of the council shall be held at the  
3 call of the chairperson or at the request of three  
4 members.

5 3. *Powers and duties of the council.* The powers  
6 and duties of the technology advisory council as they  
7 relate to information technology services shall include  
8 but are not limited to all of the following:

9 a. Advise the chief information officer in  
10 developing and adopting information technology  
11 standards pursuant to sections 8B.4 and 8B.23  
12 applicable to all agencies.

13 b. Make recommendations to the chief information  
14 officer regarding all of the following:

15 (1) Technology utility services to be implemented  
16 by the division.

17 (2) Improvements to information technology service  
18 levels and modifications to the business continuity  
19 plan for information technology operations developed by  
20 the division for agencies, and to maximize the value of  
21 information technology investments by the state.

22 (3) Technology initiatives for the executive  
23 branch.

24 c. Advise the division regarding rates to be  
25 charged for access to and for value-added services  
26 performed through IowAccess.

27 Sec. \_\_\_\_ . NEW SECTION. **8B.9 Reports required.**

28 The division shall provide all of the following  
29 reports:

30 1. An annual report of the division.

31 2. Internal service fund service business plans  
32 and financial reports as required under section 8B.13,  
33 subsection 5, paragraph "a", and an annual internal  
34 service fund expenditure report as required under  
35 section 8B.13, subsection 5, paragraph "b".

36 3. An annual report regarding total spending on  
37 technology as required under section 8B.21, subsection  
38 6.

39 4. A technology audit of the electronic  
40 transmission system as required under section 8B.33.

41 5. An annual report of expenditures from the  
42 IowAccess revolving fund as provided in section 8B.34.

43 **SUBCHAPTER II**

44 **SERVICES — PROVISION AND FUNDING**

45 Sec. \_\_\_\_ . NEW SECTION. **8B.11 Financing division**  
46 **services.**

47 1. The division shall establish a process by which  
48 the division shall determine which services provided  
49 by the division shall be funded by an appropriation to  
50 the division and which services shall be funded by the

1 governmental entity receiving the service.

2 2. a. For services which the division determines  
3 shall be funded by the governmental entity receiving  
4 the service, the division shall establish a process  
5 for determining whether the division shall be the sole  
6 provider of the service.

7 b. If the division determines that it shall be  
8 the sole provider of a service, the division shall  
9 establish a procedure for resolving complaints  
10 concerning the service provided and shall set rates for  
11 the service as provided in section 8B.21.

12 3. The division shall annually prepare a listing  
13 separately identifying services to be provided by the  
14 division and funded by an appropriation, services  
15 to be provided by the division and funded by the  
16 governmental entity receiving the service, and services  
17 which the division is authorized to provide but which  
18 governmental entities may provide on their own or  
19 obtain from another provider of the service.

20 Sec. \_\_\_\_ . NEW SECTION. 8B.12 **Services to**  
21 **governmental entities and nonprofit organizations.**

22 1. The chief information officer shall enter  
23 into agreements with state agencies, and may enter  
24 into agreements with any other governmental entity  
25 or a nonprofit organization, to furnish services  
26 and facilities of the division to the applicable  
27 governmental entity or nonprofit organization. The  
28 agreement shall provide for the reimbursement to the  
29 division of the reasonable cost of the services and  
30 facilities furnished. All governmental entities  
31 of this state may enter into such agreements. For  
32 purposes of this subsection, "*nonprofit organization*"  
33 means a nonprofit entity which is exempt from federal  
34 income taxation pursuant to section 501(c)(3) of the  
35 Internal Revenue Code and which is funded in whole or  
36 in part by public funds.

37 2. This chapter does not affect any city civil  
38 service programs established under chapter 400.

39 3. The state board of regents shall not be required  
40 to obtain any service for the state board of regents or  
41 any institution under the control of the state board  
42 of regents that is provided by the division pursuant  
43 to this chapter without the consent of the state board  
44 of regents.

45 Sec. \_\_\_\_ . NEW SECTION. 8B.13 **Division internal**  
46 **service funds.**

47 1. Activities of the division shall be accounted  
48 for within the general fund of the state, except  
49 that the chief information officer may establish and  
50 maintain internal service funds in accordance with

1 generally accepted accounting principles, as defined  
2 in section 8.57, subsection 5, for activities of the  
3 division which are primarily funded from billings to  
4 governmental entities for services rendered by the  
5 division. The establishment of an internal service  
6 fund is subject to the approval of the director of the  
7 department of management and the concurrence of the  
8 auditor of state. At least ninety days prior to the  
9 establishment of an internal service fund pursuant  
10 to this section, the chief information officer shall  
11 notify in writing the general assembly, including the  
12 legislative council, legislative fiscal committee, and  
13 the legislative services agency.

14 2. Internal service funds shall be administered by  
15 the division and shall consist of moneys collected by  
16 the division from billings issued in accordance with  
17 section 8B.15 and any other moneys obtained or accepted  
18 by the division, including but not limited to gifts,  
19 loans, donations, grants, and contributions, which are  
20 designated to support the activities of the individual  
21 internal service funds. The chief information officer  
22 may obtain loans from the innovations fund created in  
23 section 8.63 for deposit in an internal service fund  
24 established pursuant to this section to provide seed  
25 and investment capital to enhance the delivery of  
26 services provided by the division.

27 3. The proceeds of an internal service fund  
28 established pursuant to this section shall be used  
29 by the division for the operations of the division  
30 consistent with this chapter. The chief information  
31 officer may appoint the personnel necessary to ensure  
32 the efficient provision of services funded pursuant  
33 to an internal service fund established under this  
34 section. However, this usage requirement shall not  
35 limit or restrict the division from using proceeds from  
36 gifts, loans, donations, grants, and contributions  
37 in conformance with any conditions, directions,  
38 limitations, or instructions attached or related  
39 thereto.

40 4. Section 8.33 does not apply to any moneys in  
41 internal service funds established pursuant to this  
42 section. Notwithstanding section 12C.7, subsection 2,  
43 interest or earnings on moneys deposited in these funds  
44 shall be credited to these funds.

45 5. a. The chief information officer shall annually  
46 provide internal service fund service business plans  
47 and financial reports to the department of management  
48 and the general assembly. The business plans may  
49 include the recommendation that a portion of unexpended  
50 net income be periodically returned to the appropriate

1 funding source.

2     **b.** The division shall submit an annual report not  
3 later than October 1 to the members of the general  
4 assembly and the legislative services agency of the  
5 activities funded by and expenditures made from an  
6 internal service fund established pursuant to this  
7 section during the preceding fiscal year.

8     Sec. \_\_\_\_ . NEW SECTION. **8B.14 Additional personnel.**

9     The division may employ, upon the approval of the  
10 department of management, additional personnel in  
11 excess of the number of full time equivalent positions  
12 authorized by the general assembly if such additional  
13 personnel are reasonable and necessary to perform such  
14 duties as required to meet the needs of the division  
15 to provide services to other governmental entities and  
16 as authorized by this chapter. The chief information  
17 officer shall notify in writing the department of  
18 management, the legislative fiscal committee, and the  
19 legislative services agency of any additional personnel  
20 employed pursuant to this section.

21     Sec. \_\_\_\_ . NEW SECTION. **8B.15 Billing — credit**  
22 **card payments.**

23     1. The chief information officer may bill a  
24 governmental entity for services rendered by the  
25 division in accordance with the duties of the division  
26 as provided in this chapter. Bills may include  
27 direct, indirect, and developmental costs which have  
28 not been funded by an appropriation to the division.  
29 The division shall periodically render a billing  
30 statement to a governmental entity outlining the cost  
31 of services provided to the governmental entity. The  
32 amount indicated on the statement shall be paid by  
33 the governmental entity and amounts received by the  
34 division shall be considered repayment receipts as  
35 defined in section 8.2, and deposited into the accounts  
36 of the division.

37     2. In addition to other forms of payment, a person  
38 may pay by credit card for services provided by the  
39 division, according to rules adopted by the treasurer  
40 of state. The credit card fees to be charged shall  
41 not exceed those permitted by statute. A governmental  
42 entity may adjust its payment to reflect the costs of  
43 processing as determined by the treasurer of state.  
44 The discount charged by the credit card issuer may  
45 be included in determining the fees to be paid for  
46 completing a financial transaction under this section  
47 by using a credit card. All credit card payments  
48 shall be credited to the fund used to account for the  
49 services provided.

50     Sec. \_\_\_\_ . NEW SECTION. **8B.16 Division debts and**

1 liabilities — appropriation request.

2 If a service provided by the division and funded  
3 from an internal service fund established under  
4 section 8B.13 ceases to be provided and insufficient  
5 funds remain in the internal service fund to pay any  
6 outstanding debts and liabilities relating to that  
7 service, the chief information officer shall notify  
8 the general assembly and request that moneys be  
9 appropriated from the general fund of the state to pay  
10 such debts and liabilities.

11 SUBCHAPTER III

12 INFORMATION TECHNOLOGY

13 Sec. \_\_\_\_ . NEW SECTION. 8B.21 Information  
14 technology services — division powers and duties —  
15 responsibilities.

16 1. *Powers and duties of division.* The powers and  
17 duties of the division as it relates to information  
18 technology services shall include but are not limited  
19 to all of the following:

20 a. Providing information technology to agencies and  
21 other governmental entities.

22 b. Implementing the strategic information  
23 technology plan.

24 c. Developing and implementing a business  
25 continuity plan, as the chief information officer  
26 determines is appropriate, to be used if a disruption  
27 occurs in the provision of information technology to  
28 participating agencies and other governmental entities.

29 d. Prescribing standards and adopting rules  
30 relating to information technology and procurement,  
31 including but not limited to system design and systems  
32 integration and interoperability, which shall apply  
33 to all participating agencies except as otherwise  
34 provided in this chapter. The division shall implement  
35 information technology standards as established  
36 pursuant to this chapter which are applicable to  
37 information technology procurements for participating  
38 agencies.

39 e. Developing and maintaining security policies  
40 and systems to ensure the integrity of the state's  
41 information resources and to prevent the disclosure of  
42 confidential records.

43 f. Developing and implementing effective and  
44 efficient strategies for the use and provision of  
45 information technology for participating agencies and  
46 other governmental entities.

47 g. Coordinating and managing the acquisition of  
48 information technology services by participating  
49 agencies in furtherance of the purposes of this  
50 chapter. The division shall institute procedures to

1 ensure effective and efficient compliance with the  
2 applicable standards established pursuant to this  
3 chapter.

4 *h.* Entering into contracts, leases, licensing  
5 agreements, royalty agreements, marketing agreements,  
6 memorandums of understanding, or other agreements as  
7 necessary and appropriate to administer this chapter.

8 *i.* Requesting that a participating agency provide  
9 such information as is necessary to establish and  
10 maintain an inventory of information technology used by  
11 participating agencies, and such participating agency  
12 shall provide such information to the division in a  
13 timely manner. The form and content of the information  
14 to be provided shall be determined by the division.

15 *j.* Charging reasonable fees, costs, expenses,  
16 charges, or other amounts to an agency, governmental  
17 entity, public official, or person or entity related to  
18 the provision, sale, use, or utilization of, or cost  
19 sharing with respect to, information technology and  
20 any intellectual property interests related thereto;  
21 research and development; proprietary hardware,  
22 software, and applications; and information technology  
23 architecture and design. The division may enter into  
24 nondisclosure agreements and take any other legal  
25 action reasonably necessary to secure a right to an  
26 interest in information technology development by  
27 or on behalf of the state of Iowa and to protect the  
28 state of Iowa's proprietary information technology  
29 and intellectual property interests. The provisions  
30 of chapter 23A relating to noncompetition by state  
31 agencies and political subdivisions with private  
32 enterprise shall not apply to division activities  
33 authorized under this paragraph.

34 *k.* Charging reasonable fees, costs, expenses,  
35 charges, or other amounts to an agency, governmental  
36 entity, public official, or other person or entity to  
37 or for whom information technology or other services  
38 have been provided by or on behalf of, or otherwise  
39 made available through, the division.

40 *l.* Providing, selling, leasing, licensing,  
41 transferring, or otherwise conveying or disposing of  
42 information technology, or any intellectual property  
43 or other rights with respect thereto, to agencies,  
44 governmental entities, public officials, or other  
45 persons or entities.

46 *m.* Entering into partnerships, contracts, leases,  
47 or other agreements with public and private entities  
48 for the evaluation and development of information  
49 technology pilot projects.

50 *n.* Initiating and supporting the development

1 of electronic commerce, electronic government, and  
2 internet applications across participating agencies and  
3 in cooperation with other governmental entities. The  
4 division shall foster joint development of electronic  
5 commerce and electronic government involving the  
6 public and private sectors, develop customer surveys  
7 and citizen outreach and education programs and  
8 material, and provide for citizen input regarding the  
9 state's electronic commerce and electronic government  
10 applications.

11 2. *Responsibilities.* The responsibilities of  
12 the division as it relates to information technology  
13 services include the following:

14 a. Coordinate the activities of the division in  
15 promoting, integrating, and supporting information  
16 technology in all business aspects of state government.

17 b. Provide for server systems, including mainframe  
18 and other server operations, desktop support, and  
19 applications integration.

20 c. Provide applications development, support, and  
21 training, and advice and assistance in developing and  
22 supporting business applications throughout state  
23 government.

24 3. *Information technology charges.* The division  
25 shall render a statement to an agency, governmental  
26 entity, public official, or other person or entity  
27 to or for whom information technology, value added  
28 services, or other items or services have been provided  
29 by or on behalf of, or otherwise made available  
30 through, the division. Such an agency, governmental  
31 entity, public official, or other person or entity  
32 shall pay an amount indicated on such statement in a  
33 manner determined by the division.

34 4. *Dispute resolution.* If a dispute arises between  
35 the division and an agency for which the division  
36 provides or refuses to provide information technology,  
37 the dispute shall be resolved as provided in section  
38 679A.19.

39 5. *Waivers.* a. The division shall adopt rules  
40 allowing for participating agencies to seek a temporary  
41 or permanent waiver from any of the requirements  
42 of this subchapter concerning the acquisition,  
43 utilization, or provision of information technology.  
44 The rules shall provide that a waiver may be granted  
45 upon a written request by a participating agency and  
46 approval of the chief information officer. A waiver  
47 shall only be approved if the participating agency  
48 shows that a waiver would be in the best interests of  
49 the state.

50 b. Prior to approving or denying a request for a

1 waiver, the chief information officer shall consider  
2 all of the following:

3 (1) Whether the failure to grant a waiver would  
4 violate any state or federal law; or any published  
5 policy, standard, or requirement established by a  
6 governing body other than the department.

7 (2) Whether the failure to start a waiver would  
8 result in the duplication of existing services,  
9 resources, or support.

10 (3) Whether the waiver would obstruct the state's  
11 information technology strategic plan, enterprise  
12 architecture, security plans, or any other information  
13 technology policy, standard, or requirement.

14 (4) Whether the waiver would result in excessive  
15 expenditures or expenditures above market rates.

16 (5) The life cycle of the system or application for  
17 which the waiver is requested.

18 (6) Whether the participating agency can show that  
19 it can obtain or provide the information technology  
20 more economically than the information technology  
21 can be provided by the department. For purposes of  
22 determining if the participating agency can obtain or  
23 provide the information technology more economically,  
24 the chief information officer shall consider the  
25 impact on other participating agencies if the waiver is  
26 approved or denied.

27 (7) Whether the failure to grant a waiver would  
28 jeopardize federal funding.

29 *c.* Rules adopted pursuant to this subsection  
30 relating to a request for a waiver, at a minimum, shall  
31 provide for all of the following:

32 (1) The request shall be in writing and signed  
33 by the head of the participating agency seeking the  
34 waiver.

35 (2) The request shall include a reference to the  
36 specific policy, standard, or requirement for which the  
37 waiver is submitted.

38 (3) The request shall include a statement of  
39 facts including a description of the problem or issue  
40 prompting the request; the participating agency's  
41 preferred solution; an alternative approach to be  
42 implemented by the participating agency intended to  
43 satisfy the waived policy, standard, or requirement;  
44 the business case for the alternative approach; the  
45 economic justification for the waiver or a statement  
46 as to why the waiver is in the best interests of  
47 the state; the time period for which the waiver  
48 is requested; and any other information deemed  
49 appropriate.

50 *d.* A participating agency may appeal the decision

1 of the chief information officer to the director of  
2 the department of management within seven calendar  
3 days following the decision of the chief information  
4 officer. The director of the department of management,  
5 after consultation with the technology advisory  
6 council, shall respond within fourteen days following  
7 the receipt of the appeal.

8 e. The department of public defense, including both  
9 the military division and the homeland security and  
10 emergency management division, shall not be required to  
11 obtain any information technology services pursuant to  
12 this subchapter for the department of public defense  
13 or its divisions that is provided by the department of  
14 management pursuant to this chapter without the consent  
15 of the adjutant general.

16 6. *Annual report.* On an annual basis, prepare a  
17 report to the governor, the department of management,  
18 and the general assembly regarding the total spending  
19 on technology for the previous fiscal year, the total  
20 amount appropriated for the current fiscal year, and  
21 an estimate of the amount to be requested for the  
22 succeeding fiscal year for all agencies. The report  
23 shall include a five year projection of technology cost  
24 savings, an accounting of the level of technology cost  
25 savings for the current fiscal year, and a comparison  
26 of the level of technology cost savings for the current  
27 fiscal year with that of the previous fiscal year.  
28 This report shall be filed as soon as possible after  
29 the close of a fiscal year, and by no later than the  
30 second Monday of January of each year.

31 Sec. \_\_\_\_ . **NEW SECTION. 8B.22 Digital government.**

32 1. The division is responsible for initiating and  
33 supporting the development of electronic commerce,  
34 electronic government, and internet applications across  
35 participating agencies and in cooperation with other  
36 governmental entities.

37 2. In developing the concept of digital  
38 government, the division shall do all of the following:

39 a. Establish standards, consistent with other state  
40 law, for the implementation of electronic commerce,  
41 including standards for electronic signatures,  
42 electronic currency, and other items associated with  
43 electronic commerce.

44 b. Establish guidelines for the appearance and  
45 functioning of applications.

46 c. Establish standards for the integration of  
47 electronic data across state agencies.

48 d. Foster joint development of electronic commerce  
49 and electronic government involving the public and  
50 private sectors.

1 e. Develop customer surveys and citizen outreach  
2 and education programs and material, and provide for  
3 citizen input regarding the state's electronic commerce  
4 and electronic government applications.

5 f. Assist participating agencies in converting  
6 printed government materials to electronic materials  
7 which can be accessed through an internet searchable  
8 database.

9 g. Encourage participating agencies to utilize  
10 a print on demand strategy to reduce publication  
11 overruns, excessive inventory, and obsolete printed  
12 materials.

13 Sec. \_\_\_\_ . NEW SECTION. **8B.23 Information**  
14 **technology standards.**

15 1. The division, after consultation with the  
16 council, shall develop and adopt information technology  
17 standards applicable to the procurement of information  
18 technology by all participating agencies. Such  
19 standards, unless waived by the division, shall  
20 apply to all information technology procurements for  
21 participating agencies.

22 2. The office of the governor or the office of  
23 an elective constitutional or statutory officer  
24 shall consult with the division prior to procuring  
25 information technology and consider the information  
26 technology standards adopted by the division, and  
27 provide a written report to the division relating to  
28 the office's decision regarding such acquisitions.

29 Sec. \_\_\_\_ . NEW SECTION. **8B.24 Procurement of**  
30 **information technology.**

31 1. Standards established by the division, unless  
32 waived by the division, shall apply to all information  
33 technology procurements for participating agencies.

34 2. The division shall institute procedures to  
35 ensure effective and efficient compliance with  
36 standards established by the division.

37 3. The division shall develop policies and  
38 procedures that apply to all information technology  
39 goods and services acquisitions, and shall ensure the  
40 compliance of all participating agencies. The division  
41 shall also be the sole provider of infrastructure  
42 services for participating agencies.

43 4. The division, by rule, may implement a  
44 prequalification procedure for contractors with which  
45 the division has entered or intends to enter into  
46 agreements regarding the procurement of information  
47 technology.

48 5. Notwithstanding the provisions governing  
49 purchasing as provided in chapter 8A, subchapter III,  
50 the division may procure information technology as

1 provided in this section. The division may cooperate  
2 with other governmental entities in the procurement  
3 of information technology in an effort to make such  
4 procurements in a cost-effective, efficient manner as  
5 provided in this section. The division, as deemed  
6 appropriate and cost-effective, may procure information  
7 technology using any of the following methods:

8     *a. Cooperative procurement agreement.* The division  
9 may enter into a cooperative procurement agreement with  
10 another governmental entity relating to the procurement  
11 of information technology, whether such information  
12 technology is for the use of the division or other  
13 governmental entities. The cooperative procurement  
14 agreement shall clearly specify the purpose of the  
15 agreement and the method by which such purpose will be  
16 accomplished. Any power exercised under such agreement  
17 shall not exceed the power granted to any party to the  
18 agreement.

19     *b. Negotiated contract.* The division may enter into  
20 an agreement for the purchase of information technology  
21 if any of the following applies:

22         (1) The contract price, terms, and conditions are  
23 pursuant to the current federal supply contract, and  
24 the purchase order adequately identifies the federal  
25 supply contract under which the procurement is to be  
26 made.

27         (2) The contract price, terms, and conditions  
28 are no less favorable than the contractor's current  
29 federal supply contract price, terms, and conditions;  
30 the contractor has indicated in writing a willingness  
31 to extend such price, terms, and conditions to the  
32 division; and the purchase order adequately identifies  
33 the contract relied upon.

34         (3) The contract is with a vendor which has a  
35 current exclusive or nonexclusive price agreement  
36 with the state for the information technology to be  
37 procured, and such information technology meets the  
38 same standards and specifications as the items to be  
39 procured and both of the following apply:

40             (a) The quantity purchased does not exceed the  
41 quantity which may be purchased under the applicable  
42 price agreement.

43             (b) The purchase order adequately identifies the  
44 price agreement relied upon.

45     *c. Contracts let by another governmental*  
46 *entity.* The division, on its own behalf or on the  
47 behalf of another participating agency or governmental  
48 entity, may procure information technology under a  
49 contract let by another agency or other governmental  
50 entity, or approve such procurement in the same manner

1 by a participating agency or governmental entity.

2 *d. Reverse auction.*

3 (1) The division may enter into an agreement for  
4 the purchase of information technology utilizing a  
5 reverse auction process. Such process shall result in  
6 the purchase of information technology from the vendor  
7 submitting the lowest responsible bid amount for the  
8 information technology to be acquired. The division,  
9 in establishing a reverse auction process, shall do all  
10 of the following:

11 (a) Determine the specifications and requirements  
12 of the information technology to be acquired.

13 (b) Identify and provide notice to potential  
14 vendors concerning the proposed acquisition.

15 (c) Establish prequalification requirements to be  
16 met by a vendor to be eligible to participate in the  
17 reverse auction.

18 (d) Conduct the reverse auction in a manner as  
19 deemed appropriate by the division and consistent with  
20 rules adopted by the division.

21 (2) Prior to conducting a reverse auction, the  
22 division shall establish a threshold amount which shall  
23 be the maximum amount which the division is willing to  
24 pay for the information technology to be acquired.

25 (3) The division shall enter into an agreement  
26 with a vendor who is the lowest responsible bidder  
27 which meets the specifications or description of the  
28 information technology to be procured, or the division  
29 may reject all bids and begin the process again. In  
30 determining the lowest responsible bidder, the division  
31 may consider various factors including but not limited  
32 to the past performance of the vendor relative to  
33 quality of product or service, the past experience of  
34 the division in relation to the product or service, the  
35 relative quality of products or services, the proposed  
36 terms of delivery, and the best interest of the state.

37 *e. Competitive bidding.* The division may enter  
38 into an agreement for the procurement or acquisition of  
39 information technology in the same manner as provided  
40 under chapter 8A, subchapter III, for the purchasing  
41 of service.

42 *f. Other agreement.* In addition to the competitive  
43 bidding procedure provided for under paragraph "e",  
44 the division may enter into an agreement for the  
45 purchase, disposal, or other disposition of information  
46 technology in the same manner and subject to the same  
47 limitations as otherwise provided in this chapter. The  
48 division, by rule, shall provide for such procedures.

49 6. The division shall adopt rules pursuant to  
50 chapter 17A to implement the procurement methods and

1 procedures provided for in subsections 2 through 5.

2 SUBCHAPTER IV

3 IOWACCESS

4 Sec. \_\_\_\_\_. NEW SECTION. 8B.31 IowAccess — division  
5 duties and responsibilities.

6 1. *IowAccess*. The division shall establish  
7 IowAccess as a service to the citizens of this state  
8 that is the gateway for one-stop electronic access  
9 to government information and transactions, whether  
10 federal, state, or local. Except as provided in  
11 this section, IowAccess shall be a state-funded  
12 service providing access to government information and  
13 transactions. The division, in establishing the fees  
14 for value-added services, shall consider the reasonable  
15 cost of creating and organizing such government  
16 information through IowAccess.

17 2. *Duties*. The division shall do all of the  
18 following:

19 a. Establish rates to be charged for access to and  
20 for value-added services performed through IowAccess.

21 b. Approve and establish the priority of projects  
22 associated with IowAccess. The determination may also  
23 include requirements concerning funding for a project  
24 proposed by a political subdivision of the state or  
25 an association, the membership of which is comprised  
26 solely of political subdivisions of the state. Prior  
27 to approving a project proposed by a political  
28 subdivision, the division shall verify that all of the  
29 following conditions are met:

30 (1) The proposed project provides a benefit to the  
31 state.

32 (2) The proposed project, once completed, can be  
33 shared with and used by other political subdivisions of  
34 the state, as appropriate.

35 (3) The state retains ownership of any final  
36 product or is granted a permanent license to the use  
37 of the product.

38 c. Establish expected outcomes and effects of the  
39 use of IowAccess and determine the manner in which such  
40 outcomes are to be measured and evaluated.

41 d. Establish the IowAccess total budget request and  
42 ensure that such request reflects the priorities and  
43 goals of IowAccess as established by the division.

44 e. Advocate for access to government information  
45 and services through IowAccess and for data privacy  
46 protection, information ethics, accuracy, and security  
47 in IowAccess programs and services.

48 f. Receive status and operations reports associated  
49 with IowAccess.

50 3. *Data purchasing*. This section shall not be

1 construed to impair the right of a person to contract  
2 to purchase information or data from the Iowa court  
3 information system or any other governmental entity.  
4 This section shall not be construed to affect a data  
5 purchase agreement or contract in existence on April  
6 25, 2000.

7 Sec. \_\_\_\_ . NEW SECTION. **8B.32 Financial**  
8 **transactions.**

9 1. Moneys paid to a participating agency from  
10 persons who complete an electronic financial  
11 transaction with the agency by accessing IowAccess  
12 shall be transferred to the treasurer of state for  
13 deposit in the general fund of the state, unless the  
14 disposition of the moneys is specifically provided for  
15 under other law. The moneys may include all of the  
16 following:

17 a. Fees required to obtain an electronic public  
18 record as provided in section 22.3A.

19 b. Fees required to process an application or file  
20 a document, including but not limited to fees required  
21 to obtain a license issued by a licensing authority.

22 c. Moneys owed to a governmental entity by a  
23 person accessing IowAccess in order to satisfy a  
24 liability arising from the operation of law, including  
25 the payment of assessments, taxes, fines, and civil  
26 penalties.

27 2. Moneys transferred using IowAccess may include  
28 amounts owed by a governmental entity to a person  
29 accessing IowAccess in order to satisfy a liability of  
30 the governmental entity. The moneys may include the  
31 payment of tax refunds, and the disbursement of support  
32 payments as defined in section 252D.16 or 598.1 as  
33 required for orders issued pursuant to section 252B.14.

34 3. In addition to other forms of payment, credit  
35 cards shall be accepted in payment for moneys owed to  
36 or fees imposed by a governmental entity in the same  
37 manner as provided in section 8B.15.

38 Sec. \_\_\_\_ . NEW SECTION. **8B.33 Audits required.**

39 A technology audit of the electronic transmission  
40 system by which government records are transmitted  
41 electronically to the public shall be conducted not  
42 less than once annually for the purpose of determining  
43 that government records and other electronic data are  
44 not misappropriated or misused by the division or a  
45 contractor of the division.

46 Sec. \_\_\_\_ . NEW SECTION. **8B.34 IowAccess revolving**  
47 **fund.**

48 1. An IowAccess revolving fund is created in  
49 the state treasury. The revolving fund shall be  
50 administered by the division and shall consist of

1 moneys collected by the division as fees, moneys  
2 appropriated by the general assembly, and any other  
3 moneys obtained or accepted by the division for  
4 deposit in the revolving fund. The proceeds of the  
5 revolving fund are appropriated to and shall be used  
6 by the division to maintain, develop, operate, and  
7 expand lowAccess consistent with this chapter, and for  
8 the support of activities of the technology advisory  
9 council pursuant to section 8B.8.

10 2. The division shall submit an annual report  
11 not later than January 31 to the members of the  
12 general assembly and the legislative services agency  
13 of the activities funded by and expenditures made  
14 from the revolving fund during the preceding fiscal  
15 year. Section 8.33 does not apply to any moneys in  
16 the revolving fund, and, notwithstanding section  
17 12C.7, subsection 2, earnings or interest on moneys  
18 deposited in the revolving fund shall be credited to  
19 the revolving fund.

20 Sec. \_\_\_\_\_. Section 12C.1, subsection 2, paragraph  
21 e, subparagraph (6), Code 2009, is amended to read as  
22 follows:

23 (6) Moneys placed in a depository for the purpose  
24 of completing an electronic financial transaction  
25 pursuant to section ~~8A.222~~ 8B.32 or 331.427.

26 Sec. \_\_\_\_\_. Section 12C.4, Code 2009, is amended to  
27 read as follows:

28 **12C.4 Location of depositories.**

29 Deposits by the treasurer of state shall be in  
30 depositories located in this state; by a county  
31 officer or county public hospital officer or merged  
32 area hospital officer, in depositories located in the  
33 county or in an adjoining county within this state;  
34 by a memorial hospital treasurer, in a depository  
35 located within this state which shall be selected by  
36 the memorial hospital treasurer and approved by the  
37 memorial hospital commission; by a city treasurer or  
38 other city financial officer, in depositories located  
39 in the county in which the city is located or in an  
40 adjoining county, but if there is no depository in the  
41 county in which the city is located or in an adjoining  
42 county then in any other depository located in this  
43 state which shall be selected as a depository by the  
44 city council; by a school treasurer or by a school  
45 secretary in a depository within this state which  
46 shall be selected by the board of directors or the  
47 trustees of the school district; by a township clerk  
48 in a depository located within this state which shall  
49 be selected by the township clerk and approved by the  
50 trustees of the township. However, deposits may be

1 made in depositories outside of Iowa for the purpose of  
2 paying principal and interest on bonded indebtedness  
3 of any municipality when the deposit is made not  
4 more than ten days before the date the principal  
5 or interest becomes due. Further, the treasurer of  
6 state may maintain an account or accounts outside the  
7 state of Iowa for the purpose of providing custodial  
8 services for the state and state retirement fund  
9 accounts. Deposits made for the purpose of completing  
10 an electronic financial transaction pursuant to section  
11 ~~8A.222~~ 8B.32 or 331.427 may be made in any depository  
12 located in this state.

13 Sec. \_\_\_\_\_. Section 23A.2, subsection 10, paragraph  
14 o, Code Supplement 2009, is amended to read as follows:

15 o. The performance of an activity authorized  
16 pursuant to section ~~8A.202~~ 8B.21, subsection ~~2~~ 1,  
17 paragraph "j".

18 Sec. \_\_\_\_\_. REPEAL. Sections 8A.201, 8A.202, 8A.203,  
19 8A.204, 8A.205, 8A.206, 8A.207, 8A.221, 8A.222, and  
20 8A.223, Code 2009, are repealed.

21 Sec. \_\_\_\_\_. REPEAL. Section 8A.224, Code Supplement  
22 2009, is repealed.

23 2. Page 9, line 35, by striking DEPARTMENT OF  
24 ADMINISTRATIVE SERVICES

25 3. Page 10, line 1, after TECHNOLOGY by inserting  
26 DIVISION

27 4. Page 10, line 2, by striking department of  
28 administrative services and inserting information  
29 technology division of the department of management

30 5. Page 10, line 13, by striking department and  
31 inserting information technology division

32 6. Page 30, line 4, after 2B.5A. by inserting The  
33 agency shall also submit a copy of the notice to the  
34 chairpersons and ranking members of the appropriate  
35 standing committees of the general assembly for  
36 additional study.

37 7. Page 31, after line 21 by inserting:

38 <Sec. \_\_\_\_\_. APPLICABILITY. The amendment to section  
39 17A.4 in this division of this Act, establishing  
40 requirements for an agency to submit copies of rule  
41 notices to the chairpersons and ranking members of  
42 the appropriate standing committees, is applicable  
43 beginning January 11, 2011.>

44 8. Page 35, line 4, by striking ~~2011~~ 2016 and  
45 inserting 2011

46 9. Page 35, by striking lines 11 through 20.

47 10. Page 36, after line 3 by inserting:

48 <(e) (1) Beginning July 1, 2011, the policy shall  
49 allow a director of an executive branch agency who  
50 believes that the agency will not be able to reach

1 the applicable target aggregate ratio to apply for a  
2 waiver of that requirement through a five-person review  
3 board. In applying for a waiver, the director shall  
4 provide detailed documentation to the board describing  
5 the efforts that the executive branch agency has made  
6 in attempting to meet the applicable target aggregate  
7 ratio provided in this paragraph "g". The review  
8 board shall consist of the director of the department  
9 of management or a designee of the director, three  
10 agency directors or the designees of those directors  
11 as designated by the governor, and one public member  
12 selected by the employee organization representing  
13 the greatest number of executive branch employees.  
14 However, if a department represented on the review  
15 board seeks a waiver, the member representing the  
16 department shall not participate in the decision on  
17 whether to grant a waiver for that department.>

18 (2) Prior to determining whether to grant a waiver,  
19 the review board shall make an initial determination  
20 of whether the executive branch agency has provided  
21 sufficient information to conduct a review. If not,  
22 the review board shall deny the request and notify  
23 the executive branch agency of the information needed  
24 to consider the request for waiver. If a waiver is  
25 granted, the review board shall limit the waiver to  
26 only those operations within an executive branch agency  
27 in which adequate justification for granting a waiver  
28 has been established.

29 11. Page 36, line 4, by striking <(e)> and  
30 inserting <(f)>

31 12. Page 36, line 8, by striking <(f)> and  
32 inserting <(g)>

33 13. Page 36, after line 10 by inserting:

34 (h) The policy shall provide that in calculating  
35 the span of control ratio for an executive branch  
36 agency, unfunded full-time equivalent positions shall  
37 not be utilized.

38 14. Page 36, line 11, by striking <(g)> and  
39 inserting <(i)>

40 15. Page 36, line 14, by striking 2017 and  
41 inserting 2012

42 16. Page 36, line 17, by striking <(h)> and  
43 inserting <(j)>

44 17. Page 36, line 33, by striking <noncontract>

45 18. Page 38, line 18, after <services> by inserting  
46 <, the chief information officer of the state,>

47 19. Page 38, line 19, after <agencies> by inserting  
48 <authorized to purchase goods and services>

49 20. Page 38, line 29, after <agencies> by inserting  
50 <authorized to purchase goods and services>

1 21. Page 39, line 10, after <agency> by inserting  
2 <authorized to purchase goods and services>

3 22. Page 39, line 22, after <improvements> by  
4 inserting <, and shall seek input from the department  
5 of administrative services and the chief information  
6 officer of the state regarding specific areas of  
7 potential cooperation between the institutions  
8 under the control of the board and the department of  
9 administrative services>

10 23. Page 39, line 26, after <agency> by inserting  
11 <authorized to purchase goods and services>

12 24. Page 39, line 29, by striking <July 1,> and  
13 inserting <July 1>

14 25. By striking page 46, line 22, through page 52,  
15 line 22, and inserting:

16 <DIVISION \_\_\_\_\_  
17 ALCOHOLIC BEVERAGES  
18 DIVISION — MICRO-DISTILLERIES

19 Sec. \_\_\_\_\_. Section 123.32, subsection 1, Code  
20 Supplement 2009, is amended to read as follows:

21 1. *Filing of application.* An application for a  
22 class "A", class "B", class "C", or class "E" liquor  
23 control license, for a class "A" micro-distilled  
24 spirits permit, for a retail beer permit as provided  
25 in sections 123.128 and 123.129, or for a class "B",  
26 class "B" native, or class "C" native retail wine  
27 permit as provided in section 123.178, 123.178A, or  
28 123.178B, accompanied by the necessary fee and bond,  
29 if required, shall be filed with the appropriate city  
30 council if the premises for which the license or permit  
31 is sought are located within the corporate limits of a  
32 city, or with the board of supervisors if the premises  
33 for which the license or permit is sought are located  
34 outside the corporate limits of a city. An application  
35 for a class "D" liquor control license and for a class  
36 "A" beer or class "A" wine permit, accompanied by the  
37 necessary fee and bond, if required, shall be filed  
38 with the division, which shall proceed in the same  
39 manner as in the case of an application approved by  
40 local authorities.

41 Sec. \_\_\_\_\_. NEW SECTION. 123.43A Micro-distilled  
42 spirits — permit.

43 1. For the purposes of this section, unless the  
44 context other requires:

45 a. "Micro-distillery" means a business with an  
46 operational still which, combining all production  
47 facilities of the business, produces and manufactures  
48 less than fifty thousand proof gallons of distilled  
49 spirits on an annual basis.

50 b. "Micro-distilled spirits" means distilled

1 spirits fermented, distilled, or, for a period of  
2 two years, barrel matured on the licensed premises  
3 of the micro-distillery where fermented, distilled,  
4 or matured. "*Micro-distilled spirits*" also includes  
5 blended or mixed spirits comprised solely of spirits  
6 fermented, distilled, or, for a period of two years,  
7 barrel matured at a micro-distillery.

8 2. Subject to rules of the division, a  
9 micro-distillery holding a class "A" micro-distilled  
10 spirits permit pursuant to this section may sell or  
11 offer for sale micro-distilled spirits. As provided  
12 in this section, sales may be made at retail for  
13 off-premises consumption when sold on the premises of  
14 the micro-distillery that manufactures micro-distilled  
15 spirits. All sales shall be made through the state's  
16 wholesale distribution system.

17 3. A micro-distillery shall not sell more than  
18 one and one-half liters per person per day, of  
19 micro-distilled spirits on the premises of the  
20 micro-distillery. In addition, a micro-distillery  
21 shall not directly ship micro-distilled spirits for  
22 sale at retail. The micro-distillery shall maintain  
23 records of individual purchases of micro-distilled  
24 spirits at the micro-distillery for three years.

25 4. A micro-distillery shall not sell  
26 micro-distilled spirits other than as permitted  
27 in this chapter and shall not allow micro-distilled  
28 spirits sold to be consumed upon the premises of  
29 the micro-distillery. However, as a part of a  
30 micro-distillery tour, micro-distilled spirits of no  
31 more than two ounces per person per day may be sampled  
32 on the premises where fermented, distilled, or matured,  
33 when no charge is made for the sampling.

34 5. A class "A" micro-distilled spirits permit for a  
35 micro-distillery shall be issued and renewed annually  
36 upon payment of a fee of five hundred dollars.

37 6. The sale of micro-distilled spirits to the  
38 division for wholesale disposition and sale by the  
39 division shall be subject to the requirements of this  
40 chapter regarding such disposition and sale.

41 7. The division shall issue no more than three  
42 permits under this section to a person. In addition,  
43 a micro-distillery issued a permit under this section  
44 shall file with the division all documents filed by  
45 the micro-distillery with the alcohol and tobacco tax  
46 and trade bureau of the United States department of  
47 the treasury, including all production, storage, and  
48 processing reports.>

49 8. Micro-distilled spirits purchased at a  
50 micro-distillery shall not be consumed within three

1 hundred feet of a micro-distillery or on any property  
2 owned, operated, or controlled by a micro-distillery.

3 26. Page 52, before line 23 by inserting:

4 <DIVISION  
5 ALCOHOLIC BEVERAGES DIVISION — CHARITY BEER AND WINE  
6 AUCTION PERMIT

7 Sec. \_\_\_\_\_. NEW SECTION. 123.173A Charity beer and  
8 wine auction permit.

9 1. For purposes of this section, "*authorized*  
10 *nonprofit entity*" includes a nonprofit entity which  
11 has a principal office in the state, a nonprofit  
12 corporation organized under chapter 504, or a foreign  
13 corporation as defined in section 504.141, whose income  
14 is exempt from federal taxation under section 501(c) of  
15 the Internal Revenue Code.

16 2. An authorized nonprofit entity may, upon  
17 application to the division and receipt of a charity  
18 beer and wine auction permit from the division, conduct  
19 a charity auction which includes beer and wine. The  
20 application shall specify the date and time when the  
21 charity beer and wine auction is to be conducted and  
22 the premises in this state where the charity beer  
23 and wine auction is to be physically conducted. The  
24 applicant shall certify that the objective of the  
25 charity beer and wine auction is to raise funds solely  
26 to be used for educational, religious, or charitable  
27 purposes and that the entire proceeds from the charity  
28 beer and wine auction are to be expended for any of the  
29 purposes described in section 423.3, subsection 78.

30 3. An authorized nonprofit entity shall be eligible  
31 to receive only two charity beer and wine auction  
32 permits during a calendar year and each charity beer  
33 and wine auction permit shall be valid for a period not  
34 to exceed thirty-six consecutive hours.

35 4. The authorized nonprofit entity conducting the  
36 charity beer and wine auction shall obtain the beer  
37 and wine to be auctioned at the charity beer and wine  
38 auction from an Iowa retail beer permittee or an Iowa  
39 retail wine permittee, or may receive donations of  
40 beer or wine to be auctioned at the charity beer and  
41 wine auction from persons who purchased the donated  
42 beer or wine from an Iowa retail beer permittee or an  
43 Iowa retail wine permittee and who present a receipt  
44 documenting the purchase at the time the beer or wine  
45 is donated. The authorized nonprofit entity conducting  
46 the charity beer and wine auction shall retain a copy  
47 of the receipt for a period of one year from the date  
48 of the charity beer and wine auction.

49 5. Persons shall be physically present at the  
50 charity beer and wine auction to be eligible to bid on

1 beer and wine sold at the charity auction.

2 6. The beer and wine sold at the charity beer  
3 and wine auction shall be in original containers for  
4 consumption off of the premises where the charity beer  
5 and wine auction is conducted. No other alcoholic  
6 beverage may be sold by the charity beer and wine  
7 auction permittee at the charity beer and wine auction.  
8 A purchaser of beer or wine at a charity beer and wine  
9 auction shall not take possession of the beer or wine  
10 until the person is leaving the event. A purchaser  
11 of beer or wine at a charity beer and wine auction  
12 shall not open the container or consume or permit  
13 the consumption of the beer or wine purchased on the  
14 premises where the charity beer and wine auction is  
15 conducted. A purchaser of beer or wine at a charity  
16 beer and wine auction shall not resell the beer or  
17 wine.

18 7. A liquor control licensee, beer permittee, or  
19 wine permittee shall not purchase beer or wine at a  
20 charity beer and wine auction. The charity beer and  
21 wine auction may be conducted on a premises for which a  
22 class "B" liquor control license or class "C" liquor  
23 control license has been issued, provided that the  
24 liquor control licensee does not participate in the  
25 charity beer and wine auction, supply beer or wine to  
26 be auctioned at the charity beer and wine auction, or  
27 receive any of the proceeds of the charity beer and  
28 wine auction.

29 Sec. \_\_\_\_\_. Section 123.179, Code 2009, is amended by  
30 adding the following new subsection:

31 NEW SUBSECTION. 5. The fee for a charity beer and  
32 wine auction permit is one hundred dollars.>

33 27. Page 52, before line 23 by inserting:

34 <DIVISION \_\_\_\_\_  
35 ALCOHOLIC BEVERAGES DIVISION — HIGH  
36 ALCOHOL BEER

37 Sec. \_\_\_\_\_. Section 123.3, subsection 5, Code 2009,  
38 is amended to read as follows:

39 5. "*Alcoholic liquor*" or "*intoxicating liquor*" means  
40 the varieties of liquor defined in subsections 3 and  
41 33 which contain more than five percent of alcohol  
42 by weight, beverages made as described in subsection  
43 7 which beverages contain more than five percent of  
44 alcohol by weight but which are not wine as defined in  
45 subsection 37 or high alcoholic content beer as defined  
46 in subsection 14A, and every other liquid or solid,  
47 patented or not, containing spirits and every beverage  
48 obtained by the process described in subsection 37  
49 containing more than seventeen percent alcohol by  
50 weight or twenty-one and twenty-five hundredths percent

1 of alcohol by volume, and susceptible of being consumed  
2 by a human being, for beverage purposes. Alcohol  
3 manufactured in this state for use as fuel pursuant to  
4 an experimental distilled spirits plant permit or its  
5 equivalent issued by the federal bureau of alcohol,  
6 tobacco and firearms is not an "*alcoholic liquor*".

7 Sec. \_\_\_\_\_. Section 123.3, Code 2009, is amended by  
8 adding the following new subsection:

9 NEW SUBSECTION. 14A. "*High alcoholic content beer*"  
10 means beer which contains more than five percent of  
11 alcohol by weight, but not more than twelve percent of  
12 alcohol by weight, that is made by the fermentation of  
13 an infusion in potable water of barley, malt, and hops,  
14 with or without unmalted grains or decorticated and  
15 degerminated grains.

16 Sec. \_\_\_\_\_. Section 123.124, Code 2009, is amended to  
17 read as follows:

18 **123.124 Permits — classes.**

19 Permits for the manufacture and sale, or sale of  
20 beer shall be divided into ~~four~~ six classes, known  
21 as class "A", special class "A", class "AA", special  
22 class "AA", class "B", or class "C" permits. A class  
23 "A" permit allows the holder to manufacture and sell  
24 beer at wholesale. A holder of a special class "A"  
25 permit may only manufacture beer to be consumed on  
26 the licensed premises for which the person also holds  
27 a class "C" liquor control license or class "B" beer  
28 permit and to be sold to a class "A" permittee for  
29 resale purposes. A class "AA" permit allows the holder  
30 to manufacture and sell high alcoholic content beer at  
31 wholesale. A holder of a special class "AA" permit  
32 may only manufacture high alcoholic content beer to  
33 be consumed on the licensed premises for which the  
34 person also holds a class "C" liquor control license  
35 or class "B" beer permit and to be sold to a class "AA"  
36 permittee for resale purposes. A class "B" permit  
37 allows the holder to sell beer to consumers at retail  
38 for consumption on or off the premises. A class "C"  
39 permit allows the holder to sell beer to consumers at  
40 retail for consumption off the premises.

41 Sec. \_\_\_\_\_. Section 123.125, Code 2009, is amended to  
42 read as follows:

43 **123.125 Issuance of permits.**

44 The administrator shall issue class "A", special  
45 class "A", class "AA", special class "AA", class "B",  
46 and class "C" beer permits and may suspend or revoke  
47 permits for cause as provided in this chapter.

48 Sec. \_\_\_\_\_. Section 123.127, subsection 1, unnumbered  
49 paragraph 1, Code Supplement 2009, is amended to read  
50 as follows:

1 A class "A" or class "AA" permit shall be issued by  
2 the administrator to any person who:

3 Sec. \_\_\_\_\_. Section 123.127, subsection 2, Code  
4 Supplement 2009, is amended to read as follows:

5 2. An applicant for a special class "A" or  
6 special class "AA" permit shall comply with the  
7 requirements for a class "A" or class "AA" permit, as  
8 applicable, and shall also state on the application  
9 that the applicant holds or has applied for a class "C"  
10 liquor control license or class "B" beer permit.

11 Sec. \_\_\_\_\_. Section 123.130, unnumbered paragraph 1,  
12 Code 2009, is amended to read as follows:

13 Any person holding a class "A" permit issued by  
14 the division shall be authorized to manufacture and  
15 sell, or sell at wholesale, beer for consumption off  
16 the premises, such sales within the state to be made  
17 only to persons holding subsisting class "A", "B", or  
18 "C" permits, or liquor control licenses issued in  
19 accordance with the provisions of this chapter. The  
20 holder of a class "A" permit may manufacture beer of  
21 more than five percent alcohol by weight for shipment  
22 outside this state only. However, a A class "A", class  
23 "AA", or special class "AA" permit does not grant  
24 authority to manufacture wine as defined in section  
25 123.3, subsection 37.

26 Sec. \_\_\_\_\_. Section 123.134, Code 2009, is amended by  
27 adding the following new subsection:

28 NEW SUBSECTION. 1A. The annual permit fee for a  
29 class "AA" or special class "AA" permit is five hundred  
30 dollars.

31 Sec. \_\_\_\_\_. Section 123.135, subsection 1, Code 2009,  
32 is amended to read as follows:

33 1. A manufacturer, brewer, bottler, importer, or  
34 vendor of beer or any agent thereof desiring to ship  
35 or sell beer, or have beer brought into this state  
36 for resale by a class "A" permittee shall first make  
37 application for and be issued a brewer's certificate  
38 of compliance by the administrator for that purpose.  
39 The certificate of compliance expires at the end  
40 of one year from the date of issuance and shall be  
41 renewed for a like period upon application to the  
42 administrator unless otherwise revoked for cause. Each  
43 application for a certificate of compliance or renewal  
44 of a certificate shall be accompanied by a fee of  
45 one five hundred dollars payable to the division. Each  
46 holder of a certificate of compliance shall furnish the  
47 information in the form the administrator requires. A  
48 brewer whose plant is located in Iowa and who otherwise  
49 holds a class "A" beer permit to sell beer at wholesale  
50 is exempt from the fee, but not from the terms and

1 ~~conditions of the permit. The holder of a special~~  
2 ~~class "A" permit is exempt from the requirements of~~  
3 ~~this section.>~~

4 28. Page 53, by striking lines 1 through 3 and  
5 inserting <year. This section does not repeal any  
6 authority previously granted to the division in chapter  
7 123.>

8 29. By striking page 53, line 16, through page 56,  
9 line 1, and inserting:

10 <DIVISION \_\_\_\_\_  
11 ALCOHOLIC BEVERAGES DIVISION — DIRECT  
12 SHIPMENT OF WINE

13 Sec. \_\_\_\_\_. Section 123.173, subsection 1, Code 2009,  
14 is amended to read as follows:

15 1. Permits Except as provided in section 123.187,  
16 permits exclusively for the sale or manufacture and  
17 sale of wine shall be divided into four classes, and  
18 shall be known as class "A", "B", "B" native, or "C"  
19 native wine permits.

20 Sec. \_\_\_\_\_. Section 123.187, Code 2009, is amended by  
21 striking the section and inserting in lieu thereof the  
22 following:

23 **123.187 Direct shipment of wine — licenses and**  
24 **requirements.**

25 1. A wine manufacturer licensed or permitted  
26 pursuant to laws regulating alcoholic beverages in this  
27 state or another state may apply for a wine direct  
28 shipper license, as provided in this section. For the  
29 purposes of this section, a "*wine manufacturer*" means a  
30 person who processes the fruit, vegetables, dandelions,  
31 clover, honey, or any combination of these ingredients,  
32 by fermentation into wines.

33 2. a. The administrator shall issue a wine  
34 direct shipper license to a wine manufacturer who  
35 submits a written application for the license on a  
36 form to be established by the administrator by rule,  
37 accompanied by a true copy of the manufacturer's  
38 current alcoholic beverage license or permit and a copy  
39 of the manufacturer's winery license issued by the  
40 federal alcohol and tobacco tax and trade bureau.

41 b. An application submitted pursuant to paragraph  
42 "a" shall be accompanied by a license fee in the amount  
43 of twenty-five dollars.

44 c. An application submitted pursuant to paragraph  
45 "a" shall also be accompanied by a bond in the amount  
46 of five thousand dollars in the form prescribed and  
47 furnished by the division with good and sufficient  
48 sureties to be approved by the division conditioned  
49 upon compliance with this chapter.

50 d. A license issued pursuant to this section may

1 be renewed annually by resubmitting the information  
2 required in paragraph "a", accompanied by the  
3 twenty-five dollar license fee.

4 3. The direct shipment of wine pursuant to this  
5 section shall be subject to the following requirements  
6 and restrictions:

7 a. Wine may only be shipped by a wine direct  
8 shipper licensee to a resident of this state who is  
9 at least twenty-one years of age, for the resident's  
10 personal use and consumption and not for resale.

11 b. Wine subject to direct shipping shall be  
12 properly registered with the federal alcohol and  
13 tobacco tax and trade bureau, and fermented on the  
14 winery premises of the wine direct shipper licensee.

15 c. All containers of wine shipped directly to  
16 a resident of this state shall be conspicuously  
17 labeled with the words CONTAINS ALCOHOL: SIGNATURE OF  
18 PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY or shall  
19 be conspicuously labeled with alternative wording  
20 preapproved by the administrator.

21 d. All containers of wine shipped directly to a  
22 resident of this state shall be shipped by an alcohol  
23 carrier licensed as provided in subsection 6.

24 4. Shipment of wine pursuant to this subsection  
25 does not require a refund value for beverage  
26 container control purposes under chapter 455C.

27 5. A wine direct shipper licensee shall be deemed  
28 to have consented to the jurisdiction of the division  
29 or any other agency or court in this state concerning  
30 enforcement of this section and any related laws,  
31 rules, or regulations. A licensee shall permit the  
32 division to perform an audit of shipping records upon  
33 request.

34 6. a. Wine subject to direct shipment within this  
35 state pursuant to this section shall be delivered only  
36 by a carrier having obtained from the division an  
37 alcohol carrier license. An alcohol carrier license  
38 shall be issued upon payment of a one hundred dollar  
39 license fee, and shall be subject to requirements, and  
40 issued pursuant to application forms, to be determined  
41 by the administrator by rule.

42 b. An alcohol carrier licensee shall not deliver  
43 wine to any person under twenty-one years of age, or  
44 to any person who either is or appears to be in an  
45 intoxicated state or condition. A licensee shall  
46 obtain valid proof of identity and age prior to  
47 delivery, and shall obtain the signature of an adult  
48 as a condition of delivery.

49 c. An alcohol carrier licensee shall maintain  
50 records of wine shipped which include the license

1 number and name of the wine manufacturer, quantity  
2 of wine shipped, recipient's name and address, and  
3 an electronic or paper form of signature from the  
4 recipient of the wine. Records shall be submitted to  
5 the division on a monthly basis in a form and manner to  
6 be determined by the division by rule.

7 7. A violation of this section shall subject a  
8 licensee to the penalty provisions of section 123.39.>

9 30. Page 58, line 26, after <affairs.> by inserting  
10 <The term of office for voting members is four years.>

11 31. Page 83, after line 10 by inserting:

12 <Sec. \_\_\_\_\_. Section 99D.28, subsection 7, Code 2009,  
13 is amended to read as follows:

14 7. A claimant agency or licensee, acting in good  
15 faith, shall not be liable to any person for actions  
16 taken ~~to comply with~~ pursuant to this section.>

17 32. Page 83, after line 31 by inserting:

18 <Sec. \_\_\_\_\_. Section 99F.19, subsection 7, Code 2009,  
19 is amended to read as follows:

20 7. A claimant agency or licensee, acting in good  
21 faith, shall not be liable to any person for actions  
22 taken ~~to comply with~~ pursuant to this section.>

23 33. By striking page 114, line 31, through page  
24 115, line 12.

25 34. Page 116, by striking lines 25 and 26 and  
26 inserting:

27 <Sec. \_\_\_\_\_. REPEAL. Section 159A.5, Code 2009, is  
28 repealed.>

29 35. Page 116, after line 27 by inserting:

30 <Sec. \_\_\_\_\_. ORGANIC ADVISORY COUNCIL —

31 FEES. Notwithstanding section 190C.5, for the fiscal  
32 year beginning July 1, 2010, and ending June 30, 2011,  
33 the department of agriculture and land stewardship  
34 shall increase all fees that it establishes, imposes,  
35 and collects pursuant to 21 IAC ch. 47 by ten percent.  
36 Of the fees collected by the department, the amount  
37 collected representing the ten percent increase in fees  
38 authorized by this section shall not be deposited in  
39 the general fund of the state but shall be retained by  
40 the department for the purposes of the department.>

41 36. By striking page 118, line 9, through page 158,  
42 line 15.

43 37. By striking page 162, line 5, through page 164,  
44 line 34.

45 38. Page 165, after line 22 by inserting:

46 <Sec. \_\_\_\_\_. NEW SECTION. 273.15 Advisory group.

47 1. The board of directors of each area education  
48 agency shall appoint an advisory group to make  
49 recommendations on policy, programs, and services to  
50 the board. The advisory group shall provide input,

1 feedback, and recommendations to the board regarding  
2 projected future needs, and shall provide a review  
3 and response to any state-directed study or task  
4 force report on area education agency efficiencies or  
5 reorganization.

6 2. The advisory group shall consist of the  
7 following:

8 a. A minimum of three superintendents employed by  
9 school districts served by the area education agency;  
10 at least one of whom shall represent a small school  
11 district, at least one of whom shall represent a  
12 medium-sized school district, and at least one of whom  
13 shall represent a large school district.

14 b. A minimum of three principals employed by school  
15 districts served by the area education agency; at least  
16 one of whom shall represent an elementary school, at  
17 least one of whom shall represent a middle school, and  
18 at least one of whom shall represent a high school.

19 c. A minimum of four teachers employed by school  
20 districts served by the area education agency; at least  
21 one of whom shall represent early childhood teachers,  
22 at least one of whom shall represent elementary  
23 school teachers, at least one of whom shall represent  
24 middle school teachers, and at least one of whom  
25 shall represent high school teachers. At least one of  
26 the teachers appointed shall also represent special  
27 education and at least one of the teachers appointed  
28 shall represent general education. At least one of the  
29 teachers appointed shall represent related personnel,  
30 including but not limited to media and technology  
31 specialists and counselors.

32 d. A minimum of three parents or guardians of  
33 school age children receiving services from the  
34 area education agency, at least one of whom shall be  
35 the parent or guardian of a child requiring special  
36 education.

37 e. One member who represents accredited nonpublic  
38 schools located within the boundaries of the area  
39 education agency.

40 3. In appointing members of the advisory group  
41 pursuant to subsection 2, the area education agency  
42 shall collaborate with the superintendents and school  
43 boards of the school districts served by the area  
44 education agency.

45 4. All member appointments made pursuant to  
46 subsection 2 shall comply with sections 69.16, 69.16A,  
47 and 69.16C. In addition, every reasonable effort  
48 shall be made to appoint members to provide balanced  
49 representation based on age, experience, ethnicity,  
50 district size, and geography.

1 5. The advisory group shall meet at least twice  
2 annually and shall submit its recommendations in a  
3 report to the board of directors of the area education  
4 agency at least once annually. The report shall be  
5 timely submitted to allow for consideration of the  
6 recommendations prior to program planning and budgeting  
7 for the following fiscal year.>

8 39. By striking page 165, line 23, through page  
9 166, line 1.

10 40. Page 166, by striking lines 4 and 5 and  
11 inserting:

12 <Sec. \_\_\_\_\_. REPEAL. Sections 280A.1, 280A.3,  
13 280A.4, and 280A.5, Code 2009, are repealed.

14 Sec. \_\_\_\_\_. REPEAL. Section 280A.2, Code Supplement  
15 2009, is repealed.>

16 41. Page 166, by striking lines 7 through 24.

17 42. By striking page 166, line 25, through page  
18 198, line 6, and inserting:

19 DIVISION \_\_\_\_\_

20 EARLY CHILDHOOD IOWA INITIATIVE

21 Sec. \_\_\_\_\_. NEW SECTION. 256I.1 **Definitions.**

22 For the purposes of this chapter, unless the context  
23 otherwise requires:

24 1. "*Department*" means the department of management.

25 2. "*Desired results*" means the set of desired  
26 results for improving the quality of life in this state  
27 for young children and their families identified in  
28 section 256I.2.

29 3. "*Early care*", "*early care services*", or "*early*  
30 *care system*" means the programs, services, support, or  
31 other assistance made available to a parent or other  
32 person who is involved with addressing the health  
33 and education needs of a child from zero through age  
34 five. "*Early care*", "*early care services*", or "*early*  
35 *care system*" includes but is not limited to public and  
36 private efforts and formal and informal settings.

37 4. "*Early childhood Iowa area*" means a geographic  
38 area designated in accordance with this chapter.

39 5. "*Early childhood Iowa area board*" or "*area board*"  
40 means the board for an early childhood Iowa area  
41 created in accordance with this chapter.

42 6. "*Early childhood Iowa state board*" or "*state*  
43 *board*" means the early childhood Iowa state board  
44 created in section 256I.3.

45 Sec. \_\_\_\_\_. NEW SECTION. 256I.2 **Desired results —**  
46 **purpose and scope.**

47 1. It is intended that through the early childhood  
48 Iowa initiative every community in Iowa will develop  
49 the capacity and commitment for using local, informed  
50 decision making to achieve the following set of desired

1 results for improving the quality of life in this state  
2 for young children and their families:

- 3 a. Healthy children.
- 4 b. Children ready to succeed in school.
- 5 c. Safe and supportive communities.
- 6 d. Secure and nurturing families.
- 7 e. Secure and nurturing early learning  
8 environments.

9 2. The purpose of creating the early childhood Iowa  
10 initiative is to empower individuals, communities, and  
11 state level partners to achieve the desired results.  
12 The desired results will be achieved as private and  
13 public entities work collaboratively. This initiative  
14 creates a partnership between communities and state  
15 level partners to support children zero through  
16 age five and their families. The role of the early  
17 childhood Iowa state board, area boards, and other  
18 state and local government agencies is to provide  
19 support, leadership, and facilitation of the growth  
20 of individual, community, and state responsibility in  
21 addressing the desired results.

22 3. To achieve the desired results, the initiative's  
23 primary focus shall be on the efforts of the state and  
24 communities to work together to improve the efficiency  
25 and effectiveness of early care, education, health, and  
26 human services provided to families with children from  
27 zero through age five.

28 Sec. \_\_\_\_ . NEW SECTION. 256I.3 Early childhood Iowa  
29 state board created.

30 1. The early childhood Iowa state board is  
31 created to promote a vision for a comprehensive early  
32 care, education, health, and human services system  
33 in this state. The board shall oversee state and  
34 local efforts. The vision shall be achieved through  
35 strategic planning, funding identification, guidance,  
36 and decision-making authority to assure collaboration  
37 among state and local early care, education, health,  
38 and human services systems.

39 2. a. The board shall consist of twenty-one voting  
40 members with fifteen citizen members and six state  
41 agency members. The six state agency members shall  
42 be the directors or their designees of the following  
43 departments: economic development, education, human  
44 rights, human services, public health, and workforce  
45 development. The designees of state agency directors  
46 shall be selected on an annual basis. The citizen  
47 members shall be appointed by the governor, subject  
48 to confirmation by the senate. The governor's  
49 appointments of citizen members shall be made in  
50 a manner so that each of the state's congressional

1 districts is represented by at least two citizen  
2 members and so that all the appointments as a whole  
3 reflect the ethnic, cultural, social, and economic  
4 diversity of the state.

5     *b.* The governor's appointees shall be selected from  
6 individuals nominated by area boards. The nominations  
7 shall reflect the range of interests represented on the  
8 area boards so that the governor is able to appoint one  
9 or more members each for early care, education, health,  
10 human services, business, faith, and public interests.  
11 At least one of the citizen members shall be a service  
12 consumer or the parent of a service consumer. The term  
13 of office of the citizen members is three years. A  
14 citizen member vacancy on the board shall be filled in  
15 the same manner as the original appointment for the  
16 balance of the unexpired term.

17     3. Citizen members shall be reimbursed for actual  
18 and necessary expenses incurred in performance of their  
19 duties. Citizen members shall be paid a per diem as  
20 specified in section 7E.6.

21     4. In addition to the voting members, the state  
22 board shall include four members of the general  
23 assembly with not more than one member from each  
24 chamber being from the same political party. The two  
25 senators shall be appointed one each by the majority  
26 leader of the senate and by the minority leader of the  
27 senate. The two representatives shall be appointed one  
28 each by the speaker of the house of representatives and  
29 by the minority leader of the house of representatives.  
30 Legislative members shall serve in an ex officio,  
31 nonvoting capacity. A legislative member is eligible  
32 for per diem and expenses as provided in section 2.10.

33     5. The state board shall elect a chairperson from  
34 among the citizen members and may select other officers  
35 from the voting members as determined to be necessary  
36 by the board. The board shall meet regularly as  
37 determined by the board, upon the call of the board's  
38 chairperson, or upon the call of a majority of voting  
39 members. The board shall meet at least quarterly.

40     Sec. \_\_\_\_ . NEW SECTION. 256I.4 Early childhood Iowa  
41 state board duties.

42     The state board shall perform the following duties:

43     1. Provide oversight of early childhood Iowa areas.

44     2. Manage and coordinate the provision of grant  
45 funding and other moneys made available to early  
46 childhood Iowa areas by combining all or portions of  
47 appropriations or other revenues as authorized by law.

48     3. Approve the geographic boundaries for the early  
49 childhood Iowa areas throughout the state and approve  
50 any proposed changes in the boundaries.

1 4. Create a strategic plan that supports a  
2 comprehensive system of early care, education, health,  
3 and human services. The strategic plan shall be  
4 developed with extensive community involvement.  
5 The strategic plan shall be annually updated and  
6 disseminated to the public. Specific items to be  
7 addressed in the strategic plan shall include but are  
8 not limited to all of the following:  
9 a. Provisions to strengthen the state structure  
10 including interagency levels of collaboration,  
11 coordination, and integration.  
12 b. Provisions for building public-private  
13 partnerships.  
14 c. Provisions to support consolidating, blending,  
15 and redistributing state-administered funding streams  
16 and the coordination of federal funding streams. The  
17 strategic plan shall also address integration of  
18 services provided through area boards, other state and  
19 local commissions, committees, and other bodies with  
20 overlapping and similar purposes which contribute to  
21 redundancy and fragmentation in early care, education,  
22 health, and human services programs provided to the  
23 public.  
24 d. Provisions for improving the efficiency of  
25 working with federally mandated bodies.  
26 e. Identification of indicators that measure  
27 the success of the various strategies that impact  
28 communities, families, and children. The indicators  
29 shall be developed with input from area boards.  
30 5. Adopt common performance measures and data for  
31 services, programs, and activities provided by area  
32 boards. Data from common performance measures shall be  
33 included in the state board's annual report.  
34 6. Assist with the linkage of child welfare and  
35 juvenile justice decategorization projects with early  
36 childhood Iowa areas.  
37 7. Coordinate and respond to requests from an area  
38 board relating to any of the following:  
39 a. Waiver of existing rules, federal regulation, or  
40 amendment of state law, or removal of other barriers.  
41 b. Pooling and redirecting of existing federal,  
42 state, or other public or private funds.  
43 c. Seeking of federal waivers.  
44 d. Consolidating community-level committees,  
45 planning groups, and other bodies with common  
46 memberships formed in response to state requirements.  
47 8. Develop and implement a levels of excellence  
48 rating system for use with the state board's  
49 designation process for area boards. Allow for  
50 flexibility and creativity of area boards in

1 implementing area board responsibilities and  
2 provide authority for the area boards to support  
3 the communities in the areas served. The levels  
4 of excellence rating system shall utilize a tiered  
5 approach for recognizing the performance of an area  
6 board. The system shall provide for action to address  
7 poor performing areas as well as higher performing  
8 areas. If an area board achieves the highest rating  
9 level, the state board shall allow special flexibility  
10 provisions in regard to the funding appropriated or  
11 allocated for that area board. The state board may  
12 determine how often area boards are reviewed under the  
13 system.

14 9. Adopt rules pursuant to chapter 17A as necessary  
15 for the designation, governance, and oversight of area  
16 boards and the administration of this chapter. The  
17 state board shall provide for area board input in the  
18 rules adoption process.

19 10. Develop guidelines for recommended insurance  
20 or other liability coverage and take other actions to  
21 assist area boards in acquiring such coverage at a  
22 reasonable cost. Moneys expended by an area board to  
23 acquire necessary insurance or other liability coverage  
24 shall be considered an administrative cost.

25 11. In January each year, submit an annual report  
26 to the governor and general assembly that includes but  
27 is not limited to all of the following:

28 a. Any updates to the strategic plan.

29 b. The status and results of the early childhood  
30 Iowa initiative efforts to engage the public regarding  
31 the early care, education, health, human services, and  
32 other needs of children zero through age five.

33 c. The status and results of the efforts to develop  
34 and promote private sector involvement with the early  
35 care system.

36 d. The status of the early childhood Iowa  
37 initiative and the overall early care system in  
38 achieving the set of desired results.

39 e. The data and common performance measures  
40 addressed by the strategic plan, which shall include  
41 but is not limited to funding amounts.

42 f. The indicators addressed by the strategic plan  
43 along with associated data trends and their source.

44 12. Integrate statewide quality standards and  
45 results indicators adopted by other boards and  
46 commissions into the state board's funding requirements  
47 for investments in early care, health, education, and  
48 human services.

49 13. Ensure alignment of other state departments'  
50 activities with the strategic plan.

1 14. Develop and keep current memoranda of  
2 agreements between the state agencies represented  
3 on the state board to promote system development  
4 and integration and to clarify the roles and  
5 responsibilities of partner agencies.  
6 15. Work with the early childhood coordination  
7 center in building public-private partnerships for  
8 promoting the collaborative early care, education,  
9 health, and human services system.  
10 16. Support and align the early childhood Iowa  
11 internet site with other agencies and improve internet  
12 communication.  
13 17. Adopt rules to implement this chapter. The  
14 rules shall include but are not limited to the  
15 following:  
16 a. Indicators of the effectiveness of early  
17 childhood Iowa areas, area boards, and the services  
18 provided under the auspices of the area boards. The  
19 indicators shall be developed with input from area  
20 boards and shall build upon the core indicators of  
21 effectiveness for the school ready children grant  
22 program.  
23 b. Minimum standards to further the provision of  
24 equal access to services subject to the authority of  
25 area boards.  
26 c. Core functions for family support services,  
27 parent education programs, preschool services provided  
28 under a school ready children grant, and other programs  
29 and services provided under this chapter. The state  
30 board shall also develop guidelines and standards for  
31 state-supported family support programs, based upon  
32 existing guidelines and standards for the services.  
33 18. Address other measures to advance the  
34 initiative. The measures may include any of the  
35 following:  
36 a. Advance the development of integrated data  
37 systems.  
38 b. Expand efforts to improve quality and utilize  
39 evidence-based practices.  
40 c. Further develop kindergarten assessment  
41 approaches that are tied to state early learning  
42 standards.  
43 **Sec. \_\_\_\_.** **NEW SECTION. 256I.5 Early childhood**  
44 **coordination center.**  
45 1. The department shall provide administrative  
46 support for implementation of the early childhood Iowa  
47 initiative and for the state board.  
48 2. a. The early childhood coordination center  
49 is established as a work unit of the department to  
50 provide a center for facilitation, communication, and

1 coordination for early childhood Iowa activities and  
2 funding and for improvement of the individual early  
3 care, education, health, and human services systems and  
4 the comprehensive system.

5     *b.* Staffing for the center shall be provided  
6 by a project director, a deputy, a family support  
7 coordinator, and a first years first coordinator.  
8 Dedicated fiscal staff and support staff may be  
9 designated, subject to an appropriation made for this  
10 purpose. The project director shall be appointed by  
11 the governor, subject to confirmation by the senate,  
12 and shall serve at the pleasure of the governor.  
13 The center shall submit reports to the governor,  
14 state board, and the general assembly. The project  
15 director shall provide primary staffing to the board,  
16 coordinate state technical assistance activities and  
17 implementation of the technical assistance system, and  
18 oversee other communication and coordination functions.

19     3. The state agencies represented on the state  
20 board may designate additional staff, as part of  
21 the early childhood Iowa initiative, to work as  
22 a technical assistance team with the center in  
23 providing coordination and other support to the state's  
24 comprehensive early care, education, health, and human  
25 services system.

26     4. The center shall work with the state and area  
27 boards to provide leadership for comprehensive system  
28 development. The center shall also do all of the  
29 following:

30     *a.* Enter into memoranda of agreement with the  
31 departments of economic development, education, human  
32 rights, human services, public health, and workforce  
33 development to formalize the respective departments'  
34 commitments to collaborating with and integrating a  
35 comprehensive early care, education, health, and human  
36 services system. Items addressed in the memoranda  
37 shall include but are not limited to data sharing and  
38 providing staffing to the technical assistance team.

39     *b.* Work with private businesses, foundations, and  
40 nonprofit organizations to develop sustained funding.

41     *c.* Maintain the internet site in accordance with  
42 section 256I.10.

43     *d.* Propose any needed revisions to administrative  
44 rules based on stakeholder input.

45     *e.* Provide technical support to the state and area  
46 boards and to the early childhood Iowa areas through  
47 staffing services made available through the state  
48 agencies that serve on the state board.

49     *f.* Develop, collect, disseminate, and provide  
50 guidance for common performance measures for the

1 programs receiving funding under the auspices of the  
2 area boards.

3 *g.* If a disagreement arises within an early  
4 childhood Iowa area regarding the interests represented  
5 on the area's board, board decisions, or other disputes  
6 that cannot be locally resolved, upon request, provide  
7 state or regional technical assistance as deemed  
8 appropriate by the center to assist the area in  
9 resolving the disagreement.

10 Sec. \_\_\_\_ . NEW SECTION. 256I.6 Early childhood Iowa  
11 areas.

12 1. The purpose of an early childhood Iowa area is  
13 to enable local citizens to lead collaborative efforts  
14 involving early care, education, health, and human  
15 services on behalf of the children, families, and other  
16 citizens residing in the area. Leadership functions  
17 may include but are not limited to strategic planning  
18 for and oversight and managing of such programs and  
19 the funding made available to the early childhood Iowa  
20 area for such programs from federal, state, local,  
21 and private sources. The focus of the area shall be  
22 to achieve the desired results and to improve other  
23 results for families with young children.

24 2. An early childhood Iowa area shall be designated  
25 by using existing county boundaries to the extent  
26 possible.

27 3. The designation of an early childhood Iowa  
28 area boundaries and the creation of an area board  
29 are both subject to the approval of the state board.  
30 The state board shall determine if a proposed area  
31 board can efficiently and effectively administer  
32 the responsibilities and authority of the area to be  
33 served. The state board may apply additional criteria  
34 for designating areas and approving area boards, but  
35 shall apply all of the following minimum criteria:

36 *a.* An area cannot encompass more than four  
37 counties.

38 *b.* The counties encompassing a multicounty area  
39 must have contiguous borders.

40 *c.* A single county area shall have a minimum  
41 population of children zero through age five in excess  
42 of five thousand, based on the most recent population  
43 estimates issued by the United States bureau of the  
44 census.

45 4. If the state board determines exceptional  
46 circumstances exist, the state board may waive any of  
47 the criteria otherwise specified in subsection 3.

48 Sec. \_\_\_\_ . NEW SECTION. 256I.7 Early childhood Iowa  
49 area boards created.

50 1. *a.* The early childhood Iowa functions for

1 an area shall be performed under the authority of an  
2 early childhood Iowa area board. A majority of the  
3 members of an area board shall be elected officials  
4 or members of the public who are not employed by a  
5 provider of services to or for the area board. In  
6 addition, the membership of an area board shall include  
7 representation from early care, education, health,  
8 human services, business, and faith interests, and at  
9 least one parent, grandparent, or guardian of a child  
10 from zero through age five. The education, health, and  
11 human services agencies represented on an area board  
12 may receive funding from the area board.

13 b. Terms of office of area board members shall  
14 be not more than three years and the terms shall be  
15 staggered.

16 2. An area board may designate an advisory council  
17 consisting of persons employed by or otherwise paid to  
18 represent an entity listed in subsection 1 or other  
19 provider of service. However, the deliberations of and  
20 documents considered by such an advisory council shall  
21 be public.

22 3. An area board shall elect a chairperson  
23 from among the members who are citizens or elected  
24 officials.

25 4. An area board is a unit of local government for  
26 purposes of chapter 670, relating to tort liability  
27 of governmental subdivisions. For purposes of  
28 implementing a formal organizational structure, an area  
29 board may utilize recommended guidelines and bylaws  
30 established for this purpose by the state board.

31 5. All meetings of an area board or any committee  
32 or other body established by an area board at which  
33 public business is discussed or formal action taken  
34 shall comply with the requirements of chapter 21. An  
35 area board shall maintain its records in accordance  
36 with chapter 22.

37 Sec. \_\_\_\_ . NEW SECTION. 256I.8 Early childhood Iowa  
38 area board duties.

39 1. An early childhood Iowa area board shall do all  
40 of the following:

41 a. Designate a fiscal agent for grant moneys or  
42 for other moneys administered by the area board. The  
43 fiscal agent shall meet the qualifications developed  
44 by the state board.

45 b. Administer early childhood Iowa grant moneys  
46 available from the state to the area board as provided  
47 by law and other federal, state, local, and private  
48 moneys made available to the area board. Eligibility  
49 for receipt of early childhood Iowa grant moneys shall  
50 be limited to those early childhood area boards that

1 have developed an approved community plan in accordance  
2 with this chapter. An early childhood area board  
3 may apply to the state board for any private moneys  
4 received by the early childhood Iowa initiative outside  
5 of a state appropriation.

6 c. Develop a comprehensive community plan for  
7 providing services for children from zero through  
8 age five. At a minimum, the plan shall do all of the  
9 following:

10 (1) Describe community and area needs for children  
11 from zero through age five as identified through  
12 ongoing assessments.

13 (2) Describe the current and desired levels of  
14 community and area coordination of services for  
15 children from zero through age five, including the  
16 involvement and specific responsibilities of all  
17 related organizations and entities.

18 (3) Identify all federal, state, local, and private  
19 funding sources including funding estimates available  
20 in the early childhood Iowa area that will be used  
21 to provide services to children from zero through age  
22 five.

23 (4) Describe how funding sources will be used  
24 collaboratively and the degree to which the sources  
25 can be combined to provide necessary services to young  
26 children and their families.

27 (5) Identify the desired results and the  
28 community-wide indicators the area board  
29 expects to address through implementation of the  
30 comprehensive community plan. The plan shall identify  
31 community-specific, quantifiable performance measures  
32 to be reported in the area board's annual report and  
33 integration with the strategic plan adopted by the  
34 state board.

35 (6) Describe the current status of support services  
36 to prevent the spread of infectious diseases, prevent  
37 child injuries, develop health emergency protocols,  
38 help with medication, and care for children with  
39 special health needs that are being provided to child  
40 care facilities registered or licensed under chapter  
41 237A within the early childhood Iowa area.

42 d. Submit an annual report on the effectiveness of  
43 the community plan in addressing school readiness and  
44 children's health and safety needs to the state board  
45 and to the local government bodies in the area. The  
46 annual report shall indicate the effectiveness of the  
47 area board in addressing state and locally determined  
48 goals.

49 e. Function as a coordinating body for services  
50 offered by different entities directed to similar

1 purposes within the area.  
2 *f.* Assume other responsibilities established by law  
3 or administrative rule.  
4 *g.* Cooperate with the state board, department  
5 of education, and school districts and other local  
6 education agencies in securing unique student  
7 identifiers, in compliance with all applicable federal  
8 and state confidentiality provisions.  
9 2. An area board may do any of the following:  
10 *a.* Designate one or more committees to assist with  
11 area board functions.  
12 *b.* Utilize community bodies for input to the area  
13 board and implementation of services.  
14 Sec. \_\_\_\_ . NEW SECTION. 256I.9 School ready  
15 children grant program.  
16 1. The state board shall develop and promote a  
17 school ready children grant program which shall provide  
18 for all of the following components:  
19 *a.* Identify the performance measures that will  
20 be used to assess the effectiveness of the school  
21 ready children grants, including the amount of early  
22 intellectual stimulation of very young children, the  
23 basic skill levels of students entering school, the  
24 health status of children, the incidence of child  
25 abuse and neglect, the level of involvement by parents  
26 with their children, and the degree of quality of an  
27 accessibility to child care.  
28 *b.* Identify guidelines and a process to be used for  
29 determining the readiness of an early childhood Iowa  
30 area board for administering a school ready children  
31 grant.  
32 *c.* Provide for technical assistance concerning  
33 funding sources, program design, and other pertinent  
34 areas.  
35 2. The state board shall provide maximum  
36 flexibility to grantees for the use of the grant moneys  
37 included in a school ready children grant.  
38 3. A school ready children grant shall, to the  
39 extent possible, be used to support programs that meet  
40 quality standards identified by the state board. At a  
41 minimum, a grant shall be used to provide all of the  
42 following:  
43 *a.* Preschool services provided on a voluntary basis  
44 to children deemed at risk.  
45 *b.* Family support services and parent education  
46 programs promoted to parents of children from zero  
47 through age five. Family support services shall  
48 include but are not limited to home visitation.  
49 *c.* Other services to support the strategic plan  
50 developed by the state board.

1 d. Services to improve the quality and availability  
2 of all types of child care. The services may include  
3 but are not limited to making nurse consultants  
4 available to support quality improvement.

5 4. a. A school ready children grant shall be  
6 awarded to an area board annually, as funding is  
7 available. Receipt of continued funding is subject  
8 to submission of the required annual report and the  
9 state board's determination that the area board is  
10 measuring, through the use of performance measures  
11 and community-wide indicators developed by the state  
12 board with input from area boards, progress toward and  
13 is achieving the desired results and other results  
14 identified in the community plan. Each area board  
15 shall participate in the levels of excellence rating  
16 system to measure the area's success. If the use of  
17 performance measures and community-wide indicators does  
18 not show that an area board has made progress toward  
19 achieving the results identified in the community  
20 plan, the state board may request a plan of corrective  
21 action, withhold any increase in funding, or withdraw  
22 grant funding.

23 b. The state board shall distribute school  
24 ready children grant moneys to area boards with  
25 approved comprehensive community plans based upon  
26 a determination of an early childhood Iowa area's  
27 readiness to effectively utilize the grant moneys.  
28 The grant moneys shall be adjusted for other federal  
29 and state grant moneys to be received by the area for  
30 services to children from zero through age five.

31 c. An area board's readiness shall be determined  
32 by evidence of successful collaboration among public  
33 and private early care, education, health, and  
34 human services interests in the area or a documented  
35 program design that supports a strong likelihood of  
36 a successful collaboration between these interests.  
37 Other criteria which may be used by the state board  
38 to determine readiness and evaluate the funding  
39 flexibility for an area include one or more of the  
40 following:

41 (1) The levels of excellence rating received by the  
42 area.

43 (2) Experience or other evidence of the area's  
44 capacity to successfully implement the services in the  
45 area's community plan.

46 (3) Local public and private funding and other  
47 resources committed to implementation of the community  
48 plan.

49 (4) The adequacy of plans for commitment of local  
50 funding and other resources for implementation of the

1 community plan.

2 d. The provisions for distribution of school ready  
3 children grant moneys shall be determined by the state  
4 board.

5 e. The amount of school ready children grant  
6 funding an area board may carry forward from one fiscal  
7 year to the succeeding fiscal year shall not exceed  
8 twenty percent of the grant amount for the fiscal year.  
9 All of the school ready children grant funds received  
10 by an area board for a fiscal year which remain  
11 unencumbered or unobligated at the close of a fiscal  
12 year shall be carried forward to the succeeding fiscal  
13 year. However, the grant amount for the succeeding  
14 fiscal year shall be reduced by the amount in excess  
15 of twenty percent of the grant amount received for the  
16 fiscal year.

17 Sec. \_\_\_\_ . NEW SECTION. 256I.10 Early childhood  
18 Iowa internet site.

19 1. The department shall provide for the operation  
20 of an internet site for purposes of widely distributing  
21 information regarding early care, education, health,  
22 and human services and other information provided  
23 by the departments represented on the state board  
24 and the public and private agencies addressing the  
25 comprehensive system for such services.

26 2. Information provided on the internet site shall  
27 include but is not limited to all of the following:

28 a. Information about the early childhood Iowa  
29 initiative for state and local use.

30 b. A link to a special internet site directed to  
31 parents, including parent-specific information on early  
32 care, education, health, and human services and links  
33 to other resources available on the internet and from  
34 other sources.

35 c. Program standards for early care, education,  
36 health, and human services that have been approved by  
37 state agencies.

38 3. The department shall provide to the state board  
39 information regarding the extent and frequency of usage  
40 of the internet site or sites and this information  
41 shall be included in the board's annual report to the  
42 governor and general assembly.

43 Sec. \_\_\_\_ . NEW SECTION. 256I.11 Early childhood  
44 Iowa fund.

45 1. An early childhood Iowa fund is created in  
46 the state treasury. The moneys credited to the  
47 fund are not subject to section 8.33 and moneys in  
48 the fund shall not be transferred, used, obligated,  
49 appropriated, or otherwise encumbered except as  
50 provided by law. Notwithstanding section 12C.7,

1 subsection 2, interest or earnings on moneys deposited  
2 in the fund shall be credited to the fund.

3 2. A school ready children grants account is  
4 created in the fund under the authority of the director  
5 of the department of education. Moneys credited to  
6 the account shall be distributed by the department  
7 in the form of grants to early childhood Iowa areas  
8 pursuant to criteria established by the state board in  
9 accordance with law.

10 3. Unless a different amount is authorized by law,  
11 up to five percent of the school ready children grant  
12 moneys distributed to an area board may be used by the  
13 area board for administrative costs.

14 4. a. An early childhood programs grants account  
15 is created in the fund under the authority of the  
16 director of the department of management. Moneys  
17 credited to the account under the auspices of the  
18 department of human services are appropriated to and  
19 shall be distributed by the department of management  
20 in the form of grants to early childhood Iowa areas  
21 pursuant to criteria established by the state board  
22 in accordance with law. The criteria shall include  
23 but are not limited to a requirement that an early  
24 childhood Iowa area must be designated by the state  
25 board in order to be eligible to receive an early  
26 childhood programs grant.

27 b. The maximum funding amount an early childhood  
28 Iowa area is eligible to receive from the early  
29 childhood programs grant account for a fiscal year  
30 shall be determined by applying the area's percentage  
31 of the state's average monthly family investment  
32 program population in the preceding fiscal year to the  
33 total amount credited to the account for the fiscal  
34 year.

35 c. An early childhood Iowa area receiving funding  
36 from the early childhood programs grant account  
37 shall comply with any federal reporting requirements  
38 associated with the use of that funding and other  
39 results and reporting requirements established by the  
40 state board. The early childhood coordination center  
41 shall provide technical assistance in identifying and  
42 meeting the federal requirements. The availability of  
43 funding provided from the account is subject to changes  
44 in federal requirements and amendments to Iowa law.

45 d. The moneys distributed from the early childhood  
46 programs grant account shall be used by early childhood  
47 Iowa areas for the purposes of enhancing quality child  
48 care capacity in support of parent capability to obtain  
49 or retain employment. The moneys shall be used with a  
50 primary emphasis on low-income families and children

1 from zero to age five. Moneys shall be provided  
2 in a flexible manner and shall be used to implement  
3 strategies identified by the early childhood Iowa area  
4 to achieve such purposes. The department of management  
5 may use a portion of the funding appropriated to the  
6 department under this subsection for provision of  
7 technical assistance and other support to the early  
8 childhood Iowa areas developing and implementing  
9 strategies with grant moneys distributed from the  
10 account.

11 e. Moneys from a federal block grant that are  
12 credited to the early childhood programs grant account  
13 but are not distributed to an early childhood Iowa area  
14 or otherwise remain unobligated or unexpended at the  
15 end of the fiscal year shall revert to the fund created  
16 in section 8.41 to be available for appropriation by  
17 the general assembly in a subsequent fiscal year.

18 5. A first years first account is created in  
19 the fund under the authority of the department of  
20 management. The account shall consist of gift or grant  
21 moneys obtained from any source, including but not  
22 limited to the federal government. Moneys credited to  
23 the account are appropriated to the department to be  
24 used for the early childhood-related purposes for which  
25 the moneys were received.

26 Sec. \_\_\_\_\_. Section 135.106, subsection 3, Code 2009,  
27 is amended to read as follows:

28 3. It is the intent of the general assembly to  
29 provide communities with the discretion and authority  
30 to redesign existing local programs and services  
31 targeted at and assisting families expecting babies  
32 and families with children who are newborn through  
33 five years of age. The Iowa department of public  
34 health, department of human services, department of  
35 education, and other state agencies and programs, as  
36 appropriate, shall provide technical assistance and  
37 support to communities desiring to redesign their  
38 local programs and shall facilitate the consolidation  
39 of existing state funding appropriated and made  
40 available to the community for family support services.  
41 Funds which are consolidated in accordance with this  
42 subsection shall be used to support the redesigned  
43 service delivery system. In redesigning services,  
44 communities are encouraged to implement a single  
45 uniform family risk assessment mechanism and shall  
46 demonstrate the potential for improved outcomes for  
47 children and families. Requests by local communities  
48 for the redesigning of services shall be submitted to  
49 the Iowa department of public health, department of  
50 human services, and department of education, and are

1 subject to the approval of the early childhood Iowa  
2 ~~empowerment~~ state board in consultation with the  
3 departments, based on the practices utilized with  
4 ~~community empowerment~~ early childhood Iowa areas under  
5 chapter ~~28~~ 256I.

6 Sec. \_\_\_\_\_. Section 135.119, subsection 2, paragraph  
7 d, Code Supplement 2009, is amended to read as follows:

8 d. The program plan shall incorporate a multiyear,  
9 collaborative approach for implementation of the  
10 plan. The plan shall address how to involve those who  
11 regularly work with parents and persons responsible for  
12 the care of a child, including but not limited to child  
13 abuse prevention programs, child care resource and  
14 referral programs, child care providers, family support  
15 programs, programs receiving funding through the  
16 ~~community empowerment~~ early childhood Iowa initiative,  
17 public and private schools, health care providers,  
18 local health departments, birth centers, and birthing  
19 hospitals.

20 Sec. \_\_\_\_\_. Section 135.159, subsection 3, paragraph  
21 i, Code Supplement 2009, is amended to read as follows:

22 i. For children, coordinate with and integrate  
23 guidelines, data, and information from existing newborn  
24 and child health programs and entities, including but  
25 not limited to the healthy opportunities for parents  
26 to experience success - healthy families Iowa program,  
27 the ~~community empowerment program~~ early childhood Iowa  
28 initiative, the center for congenital and inherited  
29 disorders screening and health care programs, standards  
30 of care for pediatric health guidelines, the office of  
31 multicultural health established in section 135.12, the  
32 oral health bureau established in section 135.15, and  
33 other similar programs and services.

34 Sec. \_\_\_\_\_. Section 135.173, Code 2009, is amended to  
35 read as follows:

36 **135.173 Early childhood Iowa council stakeholders**  
37 **alliance.**

38 1. *Council Alliance created.* An early childhood  
39 ~~Iowa council stakeholders~~ alliance is created ~~as an~~  
40 ~~alliance of stakeholders in~~ to address the early care,  
41 health, and education systems that affect children ages  
42 zero through five in Iowa.

43 2. *Purpose.* The purpose of the early childhood  
44 ~~Iowa council stakeholders~~ alliance is to oversee and  
45 provide broad input into the development of an a high  
46 quality Iowa early childhood system by integrating  
47 the early care, health, and education systems  
48 addressing that meets the needs of children ages  
49 zero through five and their families and integrates  
50 the early care, health, and education systems. The

1 ~~council~~ alliance shall advise the governor, general  
2 assembly, and public and private policy bodies and  
3 service providers in coordinating activities throughout  
4 the state to fulfill its purpose.

5 3. *Vision statement.* All system development  
6 activities addressed by the early childhood ~~Iowa~~  
7 ~~council~~ stakeholders alliance shall be aligned around  
8 the following vision statement for the children of  
9 Iowa: "Every child, beginning at birth, will be  
10 healthy and successful."

11 4. *Membership.* The early childhood ~~Iowa~~  
12 ~~council~~ stakeholders alliance membership shall  
13 include a representative of any organization that  
14 touches the lives of young children in the state  
15 ages zero through five, has endorsed the purpose  
16 and vision statement for the ~~council~~ alliance,  
17 has endorsed the guiding principles adopted by the  
18 ~~council~~ alliance for the early childhood system,  
19 and has formally asked to be a member and remains  
20 actively engaged in ~~council~~ alliance activities.  
21 The ~~council~~ alliance shall work to ensure there is  
22 geographic, cultural, and ethnic diversity among the  
23 membership.

24 5. *Procedure.* Except as otherwise provided by  
25 law, the early childhood ~~Iowa council~~ stakeholders  
26 alliance shall determine its own rules of procedure and  
27 operating provisions.

28 6. *Steering committee.* The early childhood  
29 ~~Iowa council~~ stakeholders alliance shall operate  
30 with a steering committee to organize, manage, and  
31 coordinate the activities of the ~~council~~ alliance and  
32 its component groups. The steering committee may act  
33 on behalf of the ~~council~~ alliance as necessary. The  
34 steering committee membership shall consist of the  
35 co-chairpersons of the ~~council's~~ alliance's component  
36 groups, ~~the chairperson of the state agency liaison~~  
37 ~~team, the community empowerment facilitator or the~~  
38 ~~facilitator's designee, the primary staff person~~  
39 ~~for the early childhood Iowa state board created~~  
40 ~~in chapter 256I, a staff member of the early~~  
41 ~~childhood coordination center of the department~~  
42 ~~of management, and other leaders designated by the~~  
43 ~~council~~ alliance.

44 7. *Component groups.* The early childhood ~~Iowa~~  
45 ~~council~~ stakeholders alliance shall maintain component  
46 groups to address the key components of the Iowa early  
47 childhood system. Each component group shall have one  
48 private and one public agency co-chairperson. The  
49 ~~council~~ alliance may change the component groups as  
50 deemed necessary by the ~~advisory council~~ alliance.

1 Initially, there shall be a component group for each  
2 of the following:

- 3 a. Governance planning and administration.
- 4 b. Professional development.
- 5 c. Public engagement.
- 6 d. Quality services and programs.
- 7 e. Resources and funding.
- 8 f. Results accountability.
- 9 8. *State agency liaison team.* A state agency  
10 liaison team shall provide input into the efforts of  
11 the early childhood ~~Iowa council~~ stakeholders alliance.  
12 In addition to designees of the governor, the team  
13 shall consist of the directors or chief administrators,  
14 or their designees, from the following state agencies  
15 and programs:
  - 16 a. Child health specialty clinics.
  - 17 b. ~~Office of community empowerment in the~~  
18 ~~department of management~~ Early childhood Iowa state  
19 board staff.
  - 20 c. Department of education.
  - 21 d. Department of education, office of head start  
22 collaboration.
  - 23 e. Division of libraries and information services  
24 of the department of education.
  - 25 e. ~~f.~~ f. Office of the governor.
  - 26 ~~f.~~ g. Department of human rights.
  - 27 ~~g.~~ h. Department of human services.
  - 28 ~~h.~~ i. Postsecondary education institutions,  
29 including but not limited to institutions of higher  
30 learning under the control of the state board of  
31 regents and Iowa community colleges.
  - 32 j. Department of management.
  - 33 ~~i.~~ k. Department of public health.
  - 34 l. Department of workforce development.
- 35 9. ~~Duties. In addition to the advisory function~~  
36 ~~specified in subsection 2, the~~ The early childhood Iowa  
37 ~~council's~~ stakeholders alliance duties shall include  
38 but are not limited to all of the following regarding  
39 the Iowa early childhood system:
  - 40 a. Coordinate with the early childhood Iowa state  
41 board concerning the development and implementation of  
42 a the strategic plan required under chapter 256I. The  
43 coordination and development activities shall emphasize  
44 strengthening the early childhood system components  
45 enumerated in this section.
  - 46 b. Serve as the state advisory council required  
47 under the federal Improving Head Start for School  
48 Readiness Act of 2007, Pub. L. No. 110-134, if  
49 designated by the governor.
  - 50 c. Work to secure necessary funding support for

1 strengthening the design and implementation of a  
2 high quality early childhood system. The support may  
3 include but is not limited to federal funding available  
4 for planning under early childhood comprehensive  
5 service system grants by the federal maternal and child  
6 health bureau and federal early learning challenge  
7 grants.

8 d. Assist in the development of responsibilities  
9 across agencies and other entities to achieve strategic  
10 goals between the state board and area boards for the  
11 early childhood Iowa initiative under chapter 256I to  
12 develop and maintain a high quality early childhood  
13 system in the state.

14 e. e. Work with the early childhood Iowa  
15 empowerment board state board in developing  
16 public-private partnerships to support the early  
17 childhood system through the first years first account  
18 in the early childhood Iowa empowerment fund and other  
19 efforts for expanding investment of private funding  
20 in the early childhood system. As this and similar  
21 efforts to expand and coordinate investments from all  
22 public and private sources evolve and mature, make  
23 recommendations for designation of or contracting  
24 with a private nonprofit organization to serve as a  
25 fiscal agent for the early childhood system or another  
26 approach for increasing public and private investment  
27 in the system.

28 d. f. Report annually by December 31 to the  
29 governor and general assembly. The report content  
30 shall include but is not limited to all of the  
31 following:

32 (1) The status and results of the  
33 council's alliance's efforts to engage the public  
34 regarding the early care, health, and education needs  
35 of children ages zero through five and the efforts to  
36 develop and promote private sector involvement with the  
37 early childhood system.

38 (2) The status of the ~~community empowerment~~ early  
39 childhood Iowa initiative and the overall early  
40 childhood system in achieving the following initial set  
41 of desired results identified in ~~section 28.2~~ chapter  
42 256I:

43 (a) Healthy children.  
44 (b) Children ready to succeed in school.  
45 (c) Safe and supportive communities.  
46 (d) Secure and nurturing families.  
47 (e) Secure and nurturing early care and education  
48 environments.

49 10. Staff support for the early childhood  
50 stakeholders alliance shall be provided by the

1 department of public health.

2 Sec. \_\_\_\_\_. Section 135.174, subsection 1, Code 2009,  
3 is amended to read as follows:

4 1. The lead agency for support of the early  
5 childhood ~~Iowa council~~ stakeholders alliance for state  
6 agency efforts to develop an early childhood system for  
7 Iowa shall be the department of public health.

8 Sec. \_\_\_\_\_. Section 135.174, subsection 2, unnumbered  
9 paragraph 1, Code 2009, is amended to read as follows:

10 The department shall work with the early childhood  
11 ~~Iowa council~~ stakeholders alliance in integrating early  
12 care, health, and education systems to develop an early  
13 childhood system for Iowa. The department shall do all  
14 of the following in developing the system:

15 Sec. \_\_\_\_\_. Section 142A.4, subsection 8, Code  
16 Supplement 2009, is amended to read as follows:

17 8. Assist with the linkage of the initiative with  
18 child welfare and juvenile justice decategorization  
19 projects, education programming, ~~community~~  
20 ~~empowerment~~ early childhood Iowa areas, and other  
21 programs and services directed to youth at the state  
22 and community level.

23 Sec. \_\_\_\_\_. Section 142A.8, subsection 2, Code 2009,  
24 is amended to read as follows:

25 2. A community partnership area shall encompass  
26 a county or multicounty area, school district or  
27 multischool district area, economic development  
28 enterprise zone that meets the requirements of an urban  
29 or rural enterprise community under ~~Title Tit.~~ Tit. XIII of  
30 the federal Omnibus Budget Reconciliation Act of 1993,  
31 or ~~community empowerment~~ early childhood Iowa area, in  
32 accordance with criteria adopted by the commission for  
33 appropriate population levels and size of geographic  
34 areas.

35 Sec. \_\_\_\_\_. Section 216A.140, subsection 5, paragraph  
36 j, Code Supplement 2009, is amended to read as follows:

37 ~~j. Office of community empowerment~~ Early childhood  
38 coordination center in the department of management.

39 Sec. \_\_\_\_\_. Section 217.42, subsection 1, Code 2009,  
40 is amended to read as follows:

41 1. The organizational structure to deliver the  
42 department's field services shall be based upon service  
43 areas. The service areas shall serve as a basis for  
44 providing field services to persons residing in the  
45 counties comprising the service area. The service  
46 areas shall be those designated by the department  
47 effective January 1, 2002. In determining the  
48 service areas, the department shall consider other  
49 geographic service areas including but not limited to  
50 judicial districts and ~~community empowerment~~ early

1 childhood Iowa areas. The department shall consult  
2 with the county boards of supervisors in a service  
3 area with respect to the selection of the service  
4 area manager responsible for the service area who is  
5 initially selected for the service area designated  
6 effective January 1, 2002, and any service area manager  
7 selected for the service area thereafter. Following  
8 establishment of the service areas effective January  
9 1, 2002, if a county seeks to change the boundaries  
10 of a service area, the change shall only take place  
11 if the change is mutually agreeable to the department  
12 and all affected counties. If it is necessary for the  
13 department to significantly modify its field operations  
14 or the composition of a designated service area, or  
15 if it is necessary for the department to change the  
16 number of offices operating less than full-time, the  
17 department shall consult with the affected counties  
18 prior to implementing such action.

19 Sec. \_\_\_\_\_. Section 232.188, subsection 4, paragraph  
20 c, Code 2009, is amended to read as follows:

21 c. A decategorization governance board shall  
22 coordinate the project's planning and budgeting  
23 activities with the departmental service area manager  
24 for the county or counties comprising the project area  
25 and the ~~community empowerment~~ early childhood Iowa area  
26 board or boards for the ~~community empowerment~~ early  
27 childhood Iowa area or areas within which the  
28 decategorization project is located.

29 Sec. \_\_\_\_\_. Section 237A.21, subsection 3, paragraph  
30 n, Code Supplement 2009, is amended to read as follows:

31 n. One designee of the ~~community empowerment~~  
32 office early childhood coordination center of the  
33 department of management.

34 Sec. \_\_\_\_\_. Section 237A.21, subsection 3, paragraph  
35 q, Code Supplement 2009, is amended to read as follows:

36 q. One person who represents the early childhood  
37 Iowa ~~council~~ state board created in section  
38 ~~135.173~~ 256I.3.

39 Sec. \_\_\_\_\_. Section 237A.22, subsection 1, paragraph  
40 j, Code Supplement 2009, is amended to read as follows:

41 j. Advise and assist the early childhood Iowa  
42 ~~council~~ state board in developing the strategic plan  
43 required pursuant to section ~~135.173~~ 256I.4.

44 Sec. \_\_\_\_\_. Section 237A.26, subsection 8, Code 2009,  
45 is amended to read as follows:

46 8. For purposes of improving the quality and  
47 consistency of data collection, consultation, and other  
48 support to child care home and child development home  
49 providers, a resource and referral services agency  
50 grantee shall coordinate and assist with publicly

1 and privately funded efforts administered at the  
2 community level to provide the support. The support  
3 and efforts addressed by a grantee may include but are  
4 not limited to community-funded child care home and  
5 child development home consultants. Community members  
6 involved with the assistance may include but are not  
7 limited to the efforts of a ~~community empowerment~~ an  
8 early childhood Iowa area board under chapter ~~28 256I~~,  
9 and of community representatives of education, health,  
10 human services, business, faith, and public interests.

11 Sec. \_\_\_\_\_. Section 237A.30, subsection 1, Code 2009,  
12 is amended to read as follows:

13 1. The department shall work with the ~~community~~  
14 ~~empowerment office of~~ early childhood coordination  
15 center in the department of management established in  
16 section ~~28.3 256I.5~~ and the state child care advisory  
17 council in designing and implementing a voluntary  
18 quality rating system for each provider type of child  
19 care facility.

20 Sec. \_\_\_\_\_. Section 256C.3, subsection 3, paragraph  
21 e, Code 2009, is amended to read as follows:

22 e. Collaboration with participating families, early  
23 care providers, and community partners including but  
24 not limited to ~~community empowerment~~ early childhood  
25 Iowa area boards, head start programs, shared visions  
26 and other programs provided under the auspices of the  
27 child development coordinating council, licensed child  
28 care centers, registered child development homes,  
29 area education agencies, child care resource and  
30 referral services provided under section 237A.26, early  
31 childhood special education programs, services funded  
32 by Title Tit. I of the federal Elementary and Secondary  
33 Education Act of 1965, and family support programs.

34 Sec. \_\_\_\_\_. Section 256C.3, subsection 4, paragraph  
35 a, Code 2009, is amended to read as follows:

36 a. Methods of demonstrating community readiness  
37 to implement high-quality instruction in a local  
38 program shall be identified. The potential provider  
39 shall submit a collaborative program proposal that  
40 demonstrates the involvement of multiple community  
41 stakeholders including but not limited to, and only as  
42 applicable, parents, the school district, accredited  
43 nonpublic schools and faith-based representatives, the  
44 area education agency, the ~~community empowerment~~ early  
45 childhood Iowa area board, representatives of business,  
46 head start programs, shared visions and other programs  
47 provided under the auspices of the child development  
48 coordinating council, center-based and home-based  
49 providers of child care services, human services,  
50 public health, and economic development programs. The

1 methods may include but are not limited to a school  
2 district providing evidence of a public hearing on  
3 the proposed programming and written documentation of  
4 collaboration agreements between the school district,  
5 existing community providers, and other community  
6 stakeholders addressing operational procedures and  
7 other critical measures.

8 Sec. \_\_\_\_\_. Section 256C.4, subsection 2, paragraph  
9 b, Code 2009, is amended to read as follows:

10 b. The enrollment count of eligible students shall  
11 not include a child who is included in the enrollment  
12 count determined under section 257.6 or a child who is  
13 served by a program already receiving state or federal  
14 funds for the purpose of the provision of four-year-old  
15 preschool programming while the child is being served  
16 by the program. Such preschool programming includes  
17 but is not limited to child development assistance  
18 programs provided under chapter 256A, special education  
19 programs provided under section 256B.9, school ready  
20 children grant programs and other programs provided  
21 under chapter ~~28~~ 256I, and federal head start programs  
22 and the services funded by ~~Title~~ Tit. I of the federal  
23 Elementary and Secondary Education Act of 1965.

24 Sec. \_\_\_\_\_. Section 279.60, Code 2009, is amended to  
25 read as follows:

26 **279.60 Kindergarten assessment — access to data —**  
27 **reports.**

28 Each school district shall administer the dynamic  
29 indicators of basic early literacy skills kindergarten  
30 benchmark assessment or other kindergarten benchmark  
31 assessment adopted by the department of education  
32 in consultation with the early childhood Iowa  
33 ~~empowerment~~ state board to every kindergarten student  
34 enrolled in the district not later than the date  
35 specified in section 257.6, subsection 1. The school  
36 district shall also collect information from each  
37 parent, guardian, or legal custodian of a kindergarten  
38 student enrolled in the district, including but not  
39 limited to whether the student attended preschool,  
40 factors identified by the ~~early care staff~~ early childhood  
41 coordination center pursuant to section ~~28.3~~ 256I.5,  
42 and other demographic factors. Each school district  
43 shall report the results of the assessment and the  
44 preschool information collected to the department of  
45 education in the manner prescribed by the department  
46 not later than January 1 of that school year. The  
47 ~~early care staff designated pursuant to section~~  
48 ~~28.3~~ early childhood coordination center in the  
49 department of management shall have access to the raw  
50 data. The department shall review the information

1 submitted pursuant to this section and shall submit  
2 its findings and recommendations annually in a report  
3 to the governor, the general assembly, the early  
4 childhood Iowa empowerment state board, and the  
5 ~~community empowerment early childhood Iowa area boards.~~

6 Sec. \_\_\_\_\_. Section 915.35, subsection 4, paragraph  
7 b, Code Supplement 2009, is amended to read as follows:

8 b. A child protection assistance team may also  
9 consult with or include juvenile court officers,  
10 medical and mental health professionals, physicians  
11 or other hospital-based health professionals,  
12 court-appointed special advocates, guardians ad litem,  
13 and members of a multidisciplinary team created by  
14 the department of human services for child abuse  
15 investigations. A child protection assistance team  
16 may work cooperatively with the ~~local community~~  
17 ~~empowerment early childhood Iowa area board~~ established  
18 under ~~section 28.6~~ chapter 256I. The child protection  
19 assistance team shall work with the department of human  
20 services in accordance with section 232.71B, subsection  
21 3, in developing the protocols for prioritizing the  
22 actions taken in response to child abuse reports and  
23 for law enforcement agencies working jointly with the  
24 department at the local level in processes for child  
25 abuse reports. The department of justice may provide  
26 training and other assistance to support the activities  
27 of a child protection assistance team.

28 Sec. \_\_\_\_\_. REPEALS. Chapter 28, Code and Code  
29 Supplement 2009, is repealed.

30 Sec. \_\_\_\_\_. IMPLEMENTATION OF ACT. Section 25B.2,  
31 subsection 3, shall not apply to this division of this  
32 Act.

33 Sec. \_\_\_\_\_. TRANSITION.

34 1. The initial membership of the early childhood  
35 Iowa state board shall be composed of the membership of  
36 the Iowa empowerment board.

37 2. Effective on or after July 1, 2011, as  
38 determined by the early childhood Iowa state board  
39 created pursuant to this division of this Act, the  
40 designations granted by the Iowa empowerment board to  
41 community empowerment areas and community empowerment  
42 area boards under chapter 28, Code 2009, are withdrawn.  
43 However, subject to the approval of the early childhood  
44 Iowa state board in accordance with the area board  
45 designation criteria established by this division  
46 of this Act, all or a portion of the membership of a  
47 community empowerment area board may be redesignated to  
48 serve as the membership of the initial early childhood  
49 Iowa area board for the relevant early childhood Iowa  
50 area to be served. Subject to rules to be adopted by

1 the state board addressing redesignation of community  
2 empowerment areas as early childhood Iowa areas,  
3 existing multicounty community empowerment area boards  
4 may choose to be redefined as early childhood Iowa area  
5 boards.

6 3. Until the early childhood Iowa state board  
7 has adopted administrative rules to implement the  
8 provisions of chapter 256I, as enacted by this division  
9 of this Act, the department of management shall apply  
10 the relevant rules adopted to implement the community  
11 empowerment initiative under chapter 28, Code 2009.  
12 The state board shall also adopt rules addressing  
13 transition of contracts entered into by community  
14 empowerment area boards that include provisions in  
15 effect on or after July 1, 2012.

16 43. Page 198, after line 6 by inserting:

17 <DIVISION  
18 COMMUNITY COLLEGE ACCREDITATION

19 Sec. \_\_\_\_\_. Section 260C.47, subsection 1, unnumbered  
20 paragraph 1, Code 2009, is amended to read as follows:

21 The state board of ~~education~~ shall establish by  
22 rule an accreditation process for community college  
23 programs by July 1, 1997. The process shall be  
24 jointly developed and agreed upon by the department  
25 of education and the community colleges. The state  
26 accreditation process shall be integrated with the  
27 accreditation process of the north central association  
28 of colleges and schools, including the evaluation  
29 cycle, ~~the self-study process,~~ and the criteria for  
30 evaluation, ~~which shall incorporate the standards for~~  
31 ~~community colleges developed under section 260C.48;~~  
32 ~~and shall identify and make provision for the needs~~  
33 ~~of the state that are not met by the association's~~  
34 ~~accreditation process. For the academic year~~  
35 ~~commencing July 1, 1998, and in succeeding school~~  
36 ~~years, the department of education shall use a~~  
37 ~~two-component process for the continued accreditation~~  
38 ~~of community college programs. Beginning July 1,~~  
39 ~~2006, the~~ The state accreditation process shall  
40 incorporate the standards developed pursuant to section  
41 260C.48, subsection 4 and shall include but not be  
42 limited to procedures for correcting deficiencies,  
43 appropriate due process procedures including a  
44 hearing, consequences for failure to meet accreditation  
45 standards, notification procedures, and a timeline for  
46 the process. Action taken by the state board pursuant  
47 to this section for failure to meet accreditation  
48 standards is final agency action for purposes of  
49 chapter 17A.

50 Sec. \_\_\_\_\_. Section 260C.47, subsection 1, paragraphs

1 a, b, and c, Code 2009, are amended by striking the  
2 paragraphs.

3 Sec. \_\_\_\_\_. Section 260C.47, subsections 2 through 7,  
4 Code 2009, are amended by striking the subsections.

5 Sec. \_\_\_\_\_. Section 260C.48, subsection 1, unnumbered  
6 paragraph 1, Code 2009, is amended to read as follows:

7 The state board shall develop standards and  
8 adopt rules for the accreditation of community college  
9 instructors and programs. Except as provided in  
10 subsection 4, the standards and rules developed and  
11 adopted shall not duplicate rules adopted for the  
12 accreditation process established pursuant to section  
13 260C.47. The department shall monitor and evaluate  
14 the standards through a process jointly developed  
15 and agreed upon by the department and the community  
16 colleges. Except as provided in this subsection  
17 and subsection 4, standards developed shall be  
18 general in nature so as to apply to more than one  
19 specific program of instruction. With regard to  
20 community college-employed instructors, the standards  
21 adopted shall at a minimum require that community  
22 college instructors who are under contract for at  
23 least half-time or more, and by July 1, 2011, all  
24 instructors, meet the following requirements:>

25 44. Page 198, before line 7 by inserting:

26 <Sec. \_\_\_\_\_. Section 260C.48, subsection 2, Code  
27 2009, is amended to read as follows:

28 2. Standards developed shall include a provision  
29 that the standard academic workload for an instructor  
30 in arts and science courses shall be fifteen credit  
31 hours per school term, and the maximum academic  
32 workload for any instructor shall be sixteen credit  
33 hours per school term, for classes taught during  
34 the normal school day. In addition thereto, if  
35 requested by the community college, any faculty  
36 member instructor may teach a course or courses at  
37 times other than the regular school week, involving  
38 total class instruction time equivalent to not more  
39 than a three-credit-hour course. The total workload  
40 for such instructors shall not exceed the equivalent  
41 of eighteen credit hours per school term beyond the  
42 standard workload at the discretion of the instructor.>

43 45. Page 198, after line 24 by inserting:

44 <DIVISION \_\_\_\_\_

45 DIVISION OF LIBRARIES AND INFORMATION SERVICES

46 Sec. \_\_\_\_\_. Section 256.51, subsection 1, paragraph  
47 a, Code 2009, is amended to read as follows:

48 a. Determine policy for providing information  
49 service to the three branches of state government and  
50 to the legal and medical ~~communities~~ community in this

1 state.

2 Sec. \_\_\_\_\_. Section 256.52, subsection 1, Code 2009,  
3 is amended to read as follows:

4 1. The state commission of libraries consists of  
5 one member appointed by the supreme court, the director  
6 of the department of education, or the director's  
7 designee, and six members appointed by the governor to  
8 serve four-year terms beginning and ending as provided  
9 in section 69.19. ~~Of the~~ The governor's appointees,  
10 ~~one member shall be from the medical profession and~~  
11 ~~five members selected at large. Not more than three of~~  
12 ~~the members appointed by the governor shall be of the~~  
13 ~~same gender.~~ The members shall be reimbursed for their  
14 actual expenditures necessitated by their official  
15 duties. Members may also be eligible for compensation  
16 as provided in section 7E.6.

17 Sec. \_\_\_\_\_. Section 256.52, subsection 3, paragraph  
18 d, Code 2009, is amended to read as follows:

19 d. Appoint and approve the technical, professional,  
20 ~~excepting the medical librarian and the law librarian,~~  
21 secretarial, and clerical staff necessary to accomplish  
22 the purposes of the division subject to chapter 8A,  
23 subchapter IV.

24 Sec. \_\_\_\_\_. Section 256.54, unnumbered paragraph 1,  
25 Code 2009, is amended to read as follows:

26 The state library includes, but is not limited to,  
27 ~~a medical library,~~ a law library, and the state data  
28 center.

29 Sec. \_\_\_\_\_. Section 256.54, subsection 1, Code 2009,  
30 is amended by striking the subsection.

31 Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT. This division  
32 of this Act, being deemed of immediate importance,  
33 takes effect upon enactment.

34 DIVISION \_\_\_\_\_

35 LIBRARY DISTRICTS

36 Sec. \_\_\_\_\_. Section 336.2, unnumbered paragraphs 2  
37 and 6, Code 2009, are amended to read as follows:

38 Eligible electors residing within the proposed  
39 district in a number not less than five percent of  
40 those voting for president of the United States or  
41 governor, as the case may be, within the district at  
42 the last general election may petition the board of  
43 supervisors of the county, or the city council, for the  
44 establishment of the library district. The petition  
45 shall clearly designate the area to be included in the  
46 district, the total number of board members, and how  
47 representation on the board shall be divided among the  
48 jurisdictions.

49 After the establishment of a library district other  
50 areas may be included ~~by mutual agreement~~ subject to

1 the approval of the board of trustees of the library  
2 district and the governing body passage of a referendum  
3 by the electors of the area sought to be included.

4 Sec. \_\_\_\_\_. Section 336.4, Code 2009, is amended to  
5 read as follows:

6 **336.4 Library trustees.**

7 In any area in which a library district has been  
8 established in accordance with this chapter, a board  
9 of library trustees, consisting of five, seven, or  
10 ~~nine electors of~~ members who resident within the  
11 library district, shall be appointed by the board of  
12 supervisors of any county or city governing bodies of  
13 the jurisdictions comprising the library district.  
14 ~~Membership on the library board shall be apportioned~~  
15 ~~between the rural and city areas of the district in~~  
16 ~~proportion to the population in each of such areas. In~~  
17 ~~the event the library district is composed of two or~~  
18 ~~more counties, two or more cities, or any combination~~  
19 ~~of counties and cities, representation on the library~~  
20 ~~board shall be equitably divided between or among the~~  
21 ~~counties and cities in proportion to the population in~~  
22 ~~each of the counties and cities.~~

23 Sec. \_\_\_\_\_. Section 336.5, Code 2009, is amended to  
24 read as follows:

25 **336.5 Terms — vacancies.**

26 1. Of said the trustees so appointed in accordance  
27 with section 336.4 on boards to consist consisting of  
28 nine members, three shall hold office for two years,  
29 three for four years, and three for six years;  
30 on boards to consist consisting of seven members,  
31 two shall hold office for two years, two for four  
32 years, and three for six years; and on boards to  
33 consist consisting of five members, one shall hold  
34 office for two years, two for four years, and two  
35 for six years, from the first day of July following  
36 their appointment in each case. At their the first  
37 meeting they of the board, members shall cast lots for  
38 their respective terms, reporting the result of such  
39 lot to the board of supervisors the governing body of  
40 each jursidiction forming the library district. All  
41 subsequent appointments, whatever the size of the  
42 board, shall be for terms of six years each.

43 2. A vacancy exists when a member ceases to be a  
44 resident of the jurisdiction the member represents or  
45 is absent for six consecutive regular meetings of the  
46 board.

47 3. Vacancies shall be filled for unexpired terms  
48 by the governing body of the taxing unit of the  
49 district jurisdiction represented by the retiring  
50 member vacancy.

1       Sec. \_\_\_\_ . Section 336.8, Code 2009, is amended to  
2 read as follows:

3       **336.8 Powers.**

4       ~~Said~~ The board of library trustees shall have and  
5 exercise the following powers:

6       1. To meet and ~~organize by the election of one~~  
7 ~~of their number as~~ elect from among its members  
8 a president of the board, and by the election of a  
9 secretary and such other officers as the board may deem  
10 necessary.

11       2. To direct and control all affairs of the library  
12 district, as well as to have charge, and supervision of  
13 the public library, and its rooms, appurtenances, and  
14 fixtures, and rooms containing the same, directing and  
15 controlling all the affairs of such library.

16       3. To employ a librarian, and authorize the  
17 librarian to employ such assistants and employees  
18 as may be necessary for the proper management of  
19 said the library, and district. The board shall fix  
20 their the compensation, but, prior of such employees.  
21 Prior to such employment, the compensation of  
22 such the librarian, assistants, and employees shall be  
23 fixed for the term of employment by a majority of the  
24 members of said the board voting in favor thereof.

25       4. To remove such, by a two-thirds vote of the  
26 board, the librarian, and provide procedures for  
27 the removal of assistants, or employees by a vote of  
28 two-thirds of such board for misdemeanor, incompetency,  
29 or inattention to the duties of such employment duty.

30       5. To authorize the librarian to select and  
31 make purchases of books, pamphlets, magazines,  
32 periodicals, papers, maps, journals, furniture,  
33 fixtures, stationery technology, and supplies for  
34 such the library district.

35       6. To authorize the use of such libraries by school  
36 corporations or the public library by nonresidents of  
37 the area which is taxed to support such libraries the  
38 public library and to fix charges therefor for library  
39 services.

40       7. To make and adopt, amend, modify, or repeal  
41 bylaws, rules, and regulations, not inconsistent with  
42 law, for the care, use, government, and management  
43 of such the public library and the business of  
44 said the board, fixing and enforcing penalties for the  
45 violation thereof violations. The board shall keep a  
46 record of its proceedings.

47       8. To have exclusive control of the  
48 expenditures all funds allocated for public library  
49 purposes, as provided by law, and of the expenditures  
50 of all moneys available by gift or otherwise for the

1 erection of public library buildings, and all other  
2 moneys belonging to the public library, including  
3 finances and rental fees collected, under the rules  
4 of the board. The board shall keep a record of its  
5 proceedings.

6 9. To accept gifts of any real property,  
7 personal property, or mixed property, and devises  
8 and bequests, including trust funds; to take the  
9 title to said the property in the name of said the  
10 public library; to execute deeds and bills of sale for  
11 the conveyance of said the property; and to expend the  
12 funds received by them generated from such the gifts,  
13 for the improvement of said the public library.

14 10. To make agreements with local county historical  
15 associations to set apart the necessary room and to  
16 care for articles that come into the possession of  
17 the association. The board may purchase necessary  
18 receptacles and materials for the preservation and  
19 protection of articles which are of an historical and  
20 educational nature.

21 Sec. \_\_\_\_\_. Section 336.10, Code 2009, is amended to  
22 read as follows:

23 **336.10 Library fund.**

24 1. All moneys received and set apart appropriated  
25 or received for the maintenance of the public library  
26 shall be deposited in the treasury of the county or  
27 city, as determined by the board of library trustees,  
28 and paid out upon warrants drawn by the county or city  
29 auditor upon requisition of expenditures shall be paid  
30 by the treasurer of the county or city in which the  
31 moneys are deposited on warrants ordered by the board  
32 of trustees, signed by its the board's president and  
33 secretary.

34 ~~Provided that where a free public library is~~  
35 ~~maintained jointly by two or more counties or cities~~  
36 ~~or any combination of counties and cities, the library~~  
37 ~~trustees may elect a library treasurer, and it shall be~~  
38 ~~the duty of the city and county treasurers to pay over~~  
39 ~~to the library treasurer any and all library taxes that~~  
40 ~~may be collected by them monthly.~~

41 2. The library treasurer of the county or city in  
42 which the public library moneys are deposited pursuant  
43 to subsection 1 shall be required to furnish a bond  
44 conditioned as provided by section 64.2 in an amount as  
45 agreed upon by the participating boards of supervisors  
46 and city councils and the cost shall be paid by the  
47 participating counties and cities.

48 Sec. \_\_\_\_\_. Section 336.11, Code 2009, is amended to  
49 read as follows:

50 **336.11 Annual report.**

1 The board of library trustees shall, immediately  
2 after within ninety days after the close of each  
3 fiscal year, submit a report to the board of  
4 supervisors, and the city council, as appropriate, a  
5 report containing governing bodies of the respective  
6 jurisdictions comprising the library district. The  
7 report shall contain a statement of the condition  
8 of the library, the number of books and other  
9 resources added thereto, the number of books and  
10 other resources circulated, the number of books and  
11 other resources not returned or lost, the amount of  
12 fines collected, and the amount of money expended in  
13 the maintenance thereof of the public library during  
14 such the preceding fiscal year, together with such  
15 further any other information as it may deem the board  
16 deems important.

17 Sec. \_\_\_\_\_. Section 336.12, Code 2009, is amended to  
18 read as follows:

19 **336.12 Real estate acquired.**

20 In any county or city in which a free library  
21 has been established, the The board of library  
22 trustees may purchase real estate in the name of the  
23 county or city library district for the location of  
24 public library buildings and branch libraries, and for  
25 the purpose of enlarging the grounds.

26 Sec. \_\_\_\_\_. Section 336.13, Code 2009, is amended to  
27 read as follows:

28 **336.13 Maintenance expense on proportionate basis.**

29 1. The maintenance of a public library established  
30 in accordance with this chapter shall be on the basis  
31 of each participating unit bearing its share of the  
32 total cost in proportion to its population as compared  
33 to the total population of the library district.

34 2. The board of library trustees shall make an  
35 estimate of the amount necessary for the maintenance  
36 of the library, the sources of direct library revenue,  
37 and the amount to be contributed from taxes or other  
38 revenues by the participating city or county and  
39 hold a hearing on the estimate after notice of the  
40 hearing is published as provided in section 331.305 or  
41 section 362.3, as appropriate. On or before January  
42 10 of each year, the board of library trustees shall  
43 transmit the estimate in dollars to the board of  
44 supervisors and to the cities governing bodies of the  
45 jurisdictions participating in the library district.  
46 The unincorporated area of each county in the library  
47 district shall be considered as a separate supporting  
48 unit. Each board of supervisors participating shall  
49 review the estimate and appropriate for library  
50 purposes its share in from the county rural services

1 fund budget. Each city council participating shall  
2 review the estimate for the city and appropriate for  
3 library purposes its share ~~in~~ from the city general  
4 fund budget. Each participating city or county  
5 shall contribute its share from taxation or from  
6 other sources available for library purposes on an  
7 equitable basis. With approval of a city council, the  
8 county treasurer may withhold a reasonable portion  
9 of the taxes collected for a city to meet the city's  
10 contribution for library purposes and deliver a receipt  
11 to the city clerk for the amount withheld.

12 This section shall not affect the taxing authority  
13 provided under section 256.69.

14 Sec. \_\_\_\_\_. Section 336.15, Code 2009, is amended to  
15 read as follows:

16 **336.15 Existing contracts assumed.**

17 Whenever a library district is established in  
18 accordance with this chapter, its board of trustees  
19 shall assume all the obligations of the existing  
20 library service contracts made by cities, townships,  
21 school corporations, or counties to receive library  
22 service from free public libraries jurisdictions  
23 participating in the library district.

24 Sec. \_\_\_\_\_. Section 336.16, Code 2009, is amended to  
25 read as follows:

26 **336.16 Withdrawal from district — termination.**

27 1. A city may withdraw from the library district  
28 upon a majority vote in favor of withdrawal by the  
29 electorate of the city in an election held on a  
30 motion by the city council. The election shall be  
31 held simultaneously with a general or city election.  
32 Notice of a favorable vote to withdraw shall be sent by  
33 certified mail to the board of library trustees of the  
34 library district and the county auditor or city clerk,  
35 as appropriate, prior to January 10, and the withdrawal  
36 shall be effective on July 1.

37 2. A county may withdraw from the district after a  
38 majority of the voters of the unincorporated area of  
39 the county voting on the issue favor the withdrawal.  
40 The board of supervisors shall call for the election  
41 which shall be held at the next general election.

42 3. A city or county election shall not be called  
43 until a hearing has been held on the proposal to submit  
44 a proposition of withdrawal to an election. A hearing  
45 may be held only after public notice published as  
46 provided in section 362.3 in the case of a city or  
47 section 331.305 in the case of a county. A copy of the  
48 notice submitted for publication shall be mailed to the  
49 public library on or before the date of publication.  
50 The proposal presented at the hearing must include a

1 plan for continuing adequate library service with or  
2 without all participants and the respective allocated  
3 costs and levels of service shall be stated. At  
4 the hearing, any interested person shall be given a  
5 reasonable time to be heard, either for or against the  
6 withdrawal or the plan to accompany it.

7 4. A library district may be terminated if a  
8 majority of the electors of the unincorporated area  
9 of the county and the cities included in the library  
10 district voting on the issue favor the termination.  
11 ~~The election shall be held upon motion of the board of~~  
12 ~~supervisors and simultaneously with a general or other~~  
13 ~~county election.~~ If the vote favors termination, the  
14 termination shall be effective on the succeeding July  
15 1.

16 5. An election for withdrawal from or termination  
17 of a library district shall not be held more than once  
18 each four years.

19 Sec. \_\_\_\_\_. Section 336.18, subsection 4, paragraphs  
20 c and d, Code 2009, are amended to read as follows:

21 *c.* If a majority of those voting upon the question  
22 favors it, the board of supervisors shall ~~within thirty~~  
23 ~~days appoint a board of library trustees from residents~~  
24 ~~of the petitioning area. Vacancies shall be filled by~~  
25 ~~the board.~~

26 ~~*d.* The board of trustees may contract with~~  
27 ~~any a library for library use or service for the~~  
28 ~~benefit of the residents and area represented by it.~~

29 Sec. \_\_\_\_\_. **NEW SECTION. 336.19 Contracts for use**  
30 **of public library.**

31 1. *Contracting.* The board of library trustees may  
32 contract with any other board of trustees of a free  
33 public library or any other city, school corporation,  
34 institution of higher learning, township, or county, or  
35 with the trustees of any county library district for  
36 the use of the library by their respective residents.

37 2. *Termination.* A contract entered into pursuant  
38 to subsection 1 may be terminated as follows:

39 *a.* By mutual consent of the contracting parties.

40 *b.* By a majority vote of the electors represented  
41 by either of the contracting parties. Upon a written  
42 petition of a number of eligible electors equaling five  
43 percent or more of the number of electors voting at the  
44 last general election within the jurisdiction of the  
45 contracting party, a termination proposition shall be  
46 submitted to the electors by the governing body of the  
47 contracting party. The petition shall be presented  
48 to the governing body not less than forty days prior  
49 to the next general election or special election held  
50 throughout the jurisdiction of the party seeking to

1 terminate the contract. The proposition shall be  
2 submitted at the next general election or next special  
3 election held throughout the jurisdiction of the party  
4 seeking to terminate the contract.

5 Sec. \_\_\_\_\_. REPEAL. Sections 336.6, 336.9, and  
6 336.17, Code 2009, are repealed.>

7 46. By striking page 199, line 15, through page  
8 200, line 9.

9 47. By striking page 200, line 26, through page  
10 211, line 6, and inserting:

11 <Sec. \_\_\_\_\_. NEW SECTION. 685.1 Definitions.

12 1. "*Claim*" means any request or demand, whether  
13 pursuant to a contract or otherwise, for money or  
14 property and whether the state has title to the  
15 money or property, which is presented to an officer,  
16 employee, agent, or other representative of the  
17 state or to a contractor, grantee, or other person  
18 if the money or property is to be spent or used on  
19 the state's behalf or to advance a state program or  
20 interest, and if the state provides any portion of  
21 the money or property which is requested or demanded,  
22 or if the state will reimburse directly or indirectly  
23 such contractor, grantee, or other person for any  
24 portion of the money or property which is requested  
25 or demanded. "*Claim*" does not include any requests or  
26 demands for money or property that the state has paid  
27 to an individual as compensation for state employment  
28 or as an income subsidy with no restrictions on that  
29 individual's use of the money or property.

30 2. "*Custodian*" means the custodian, or any deputy  
31 custodian, designated by the attorney general under  
32 section 685.6.

33 3. "*Documentary material*" includes the original  
34 or any copy of any book, record, report, memorandum,  
35 paper, communication, tabulation, chart, or other  
36 document, or data compilations stored in or accessible  
37 through computer or other information retrieval  
38 systems, together with instructions and all other  
39 materials necessary to use or interpret such data  
40 compilations, and any product of discovery.

41 4. "*False claims law*" means this chapter.

42 5. "*False claims law investigation*" means any  
43 inquiry conducted by a false claims law investigator  
44 for the purpose of ascertaining whether any person is  
45 or has been engaged in any violation of a false claims  
46 law.

47 6. "*False claims law investigator*" means any  
48 attorney or investigator employed by the department  
49 of justice who is charged with the duty of enforcing  
50 or carrying into effect any false claims law, or

1 any officer or employee of the state acting under  
2 the direction and supervision of such attorney or  
3 investigator in connection with a false claims law  
4 investigation.

5 7. *a. "Knowing" or "knowingly"* means that a person  
6 with respect to information, does any of the following:

7 (1) Has actual knowledge of the information.

8 (2) Acts in deliberate ignorance of the truth or  
9 falsity of the information.

10 (3) Acts in reckless disregard of the truth or  
11 falsity of the information.

12 *b. "Knowing" or "knowingly"* does not require proof  
13 of specific intent to defraud.

14 8. *"Material"* means having a natural tendency to  
15 influence, or be capable of influencing, the payment or  
16 receipt of money or property.

17 9. *"Obligation"* means an established duty, whether  
18 or not fixed, arising from an express or implied  
19 contractual, grantor-grantee, or licensor-licensee  
20 relationship, from a fee-based or similar relationship,  
21 from statute or regulation, or from the retention of  
22 any overpayment.

23 10. *"Official use"* means any use that is consistent  
24 with the law, and the regulations and policies of the  
25 department of justice, including use, in connection  
26 with internal department of justice memoranda and  
27 reports; communications between the department of  
28 justice and a federal, state, or local government  
29 agency or a contractor of a federal, state, or local  
30 government agency, undertaken in furtherance of a  
31 department of justice investigation or prosecution of  
32 a case; interviews of any qui tam plaintiff or other  
33 witness; oral examinations; depositions; preparation  
34 for and response to civil discovery requests;  
35 introduction into the record of a case or proceeding;  
36 applications, motions, memoranda and briefs submitted  
37 to a court or other tribunal; and communications with  
38 government investigators, auditors, consultants and  
39 experts, the counsel of other parties, and arbitrators  
40 and mediators, concerning an investigation, case, or  
41 proceeding.

42 11. *"Original source"* means an individual who has  
43 direct and independent knowledge of the information on  
44 which the allegations are based and has voluntarily  
45 provided the information to the state before filing  
46 an action under section 685.3 which is based on the  
47 information.

48 12. *"Person"* means any natural person, partnership,  
49 corporation, association, or other legal entity,  
50 including any state or political subdivision of the

1 state.

2 13. "*Product of discovery*" includes all of the  
3 following:

4 a. The original or duplicate of any deposition,  
5 interrogatory, document, thing, result of the  
6 inspection of land or other property, examination, or  
7 admission, which is obtained by any method of discovery  
8 in any judicial or administrative proceeding of an  
9 adversarial nature.

10 b. Any digest, analysis, selection, compilation, or  
11 derivation of any item listed in paragraph "a".

12 c. Any index or other manner of access to any item  
13 listed in paragraph "a".

14 14. "*Qui tam plaintiff*" means a private plaintiff  
15 who brings an action under this chapter on behalf of  
16 the state.

17 Sec. \_\_\_\_ . NEW SECTION. 685.2 Acts subjecting  
18 person to treble damages, costs, and civil penalties —  
19 exceptions.

20 1. A person who commits any of the following acts  
21 is liable to the state for a civil penalty of not  
22 less than five thousand dollars and not more than  
23 ten thousand dollars, plus three times the amount of  
24 damages which the state sustains because of the act of  
25 that person:

26 a. Knowingly presents, or causes to be presented, a  
27 false or fraudulent claim for payment or approval.

28 b. Knowingly makes, uses, or causes to be made or  
29 used, a false record or statement material to a false  
30 or fraudulent claim.

31 c. Conspires to commit a violation of paragraph  
32 "a", "b", "d", "e", "f", or "g".

33 d. Has possession, custody, or control of property  
34 or money used, or to be used, by the state and  
35 knowingly delivers, or causes to be delivered, less  
36 than all of that money or property.

37 e. Is authorized to make or deliver a document  
38 certifying receipt of property used, or to be used, by  
39 the state and, intending to defraud the state, makes or  
40 delivers the receipt without completely knowing that  
41 the information on the receipt is true.

42 f. Knowingly buys, or receives as a pledge of an  
43 obligation or debt, public property from an officer or  
44 employee of the state, or a member of the Iowa national  
45 guard, who lawfully may not sell or pledge property.

46 g. Knowingly makes, uses, or causes to be made  
47 or used, a false record or statement material to an  
48 obligation to pay or transmit money or property to  
49 the state, or knowingly conceals or knowingly and  
50 improperly avoids or decreases an obligation to pay or

1 transmit money or property to the state.

2 2. Notwithstanding subsection 1, the court may  
3 assess not less than two times the amount of damages  
4 which the state sustains because of the act of the  
5 person described in subsection 1, if the court finds  
6 all of the following:

7 a. The person committing the violation furnished  
8 officials of the state responsible for investigating  
9 false claims violations with all information known to  
10 such person about the violation within thirty days  
11 after the date on which the person first obtained the  
12 information.

13 b. The person fully cooperated with the state  
14 investigation of such violation.

15 c. At the time the person furnished the state  
16 with the information about the violation, a criminal  
17 prosecution, civil action, or administrative action  
18 had not commenced under this chapter with respect to  
19 such violation, and the person did not have actual  
20 knowledge of the existence of an investigation into  
21 such violation.

22 3. A person violating this section shall also be  
23 liable to the state for the costs of a civil action  
24 brought to recover any such penalty or damages.

25 4. Any information furnished pursuant to subsection  
26 2 is deemed confidential information exempt from  
27 disclosure pursuant to chapter 22.

28 5. This section shall not apply to claims, records,  
29 or statements made under Tit. X relating to state  
30 revenue and taxation.

31 **Sec. \_\_\_\_ . NEW SECTION. 685.3 Investigations and**  
32 **prosecutions — powers of prosecuting authority — civil**  
33 **actions by individuals as qui tam plaintiffs and as**  
34 **private citizens — jurisdiction of courts.**

35 1. The attorney general shall diligently  
36 investigate a violation under section 685.2. If the  
37 attorney general finds that a person has violated or is  
38 violating section 685.2, the attorney general may bring  
39 a civil action under this section against that person.

40 2. a. A person may bring a civil action for a  
41 violation of this chapter for the person and for  
42 the state, in the name of the state. The person  
43 bringing the action shall be referred to as the qui tam  
44 plaintiff. Once filed, the action may be dismissed  
45 only if the court and the attorney general provide  
46 written consent to the dismissal and the reasons for  
47 such consent.

48 b. A copy of the complaint and written disclosure  
49 of substantially all material evidence and information  
50 the person possesses shall be served on the attorney

1 general pursuant to the Iowa rules of civil procedure.  
2 The complaint shall also be filed in camera, shall  
3 remain under seal for at least sixty days, and shall  
4 not be served on the defendant until the court so  
5 orders. The state may elect to intervene and proceed  
6 with the action within sixty days after the state  
7 receives both the complaint and the material evidence  
8 and the information.

9     *c.* The state may, for good cause shown, move the  
10 court for extensions of the time during which the  
11 complaint remains under seal under paragraph "*b*".  
12 Any such motions may be supported by affidavits or  
13 other submissions in camera. The defendant shall not  
14 be required to respond to any complaint filed under  
15 this section until twenty days after the complaint is  
16 unsealed and served upon the defendant pursuant to rule  
17 1.302 of the Iowa rules of civil procedure.

18     *d.* Before the expiration of the sixty-day period or  
19 any extensions obtained under paragraph "*c*", the state  
20 shall do one of the following:

21         (1) Proceed with the action, in which case the  
22 action shall be conducted by the state.

23         (2) Notify the court that the state declines  
24 to take over the action, in which case the qui tam  
25 plaintiff shall have the right to conduct the action.

26     *e.* When a person brings an action under this  
27 section, no person other than the state may intervene  
28 or bring a related action based on the facts underlying  
29 the pending action.

30     3. *a.* If the state proceeds with the action,  
31 the state shall have the primary responsibility for  
32 prosecuting the action, and shall not be bound by an  
33 act of the qui tam plaintiff. Such qui tam plaintiff  
34 shall have the right to continue as a party to the  
35 action, subject to the limitations specified in  
36 paragraph "*b*".

37         *b.* (1) The state may move to dismiss the action,  
38 notwithstanding the objections of the qui tam plaintiff  
39 if the qui tam plaintiff has been notified by the state  
40 of the filing of the motion and the court has provided  
41 the qui tam plaintiff with an opportunity for a hearing  
42 on the motion.

43         (2) The state may settle the action with the  
44 defendant notwithstanding the objections of the qui tam  
45 plaintiff if the court determines, after a hearing,  
46 that the proposed settlement is fair, adequate, and  
47 reasonable under all of the circumstances. Upon a  
48 showing of good cause, such hearing may be held in  
49 camera.

50         (3) Upon a showing by the state that unrestricted

1 participation during the course of the litigation by  
2 the qui tam plaintiff would interfere with or unduly  
3 delay the state's prosecution of the case, or would be  
4 repetitious, irrelevant, or for purposes of harassment,  
5 the court may, in its discretion, impose limitations on  
6 the qui tam plaintiff's participation, including but  
7 not limited to any of the following:

8 (a) Limiting the number of witnesses the qui tam  
9 plaintiff may call.

10 (b) Limiting the length of the testimony of such  
11 witnesses.

12 (c) Limiting the qui tam plaintiff's  
13 cross-examination of witnesses.

14 (d) Otherwise limiting the participation by the qui  
15 tam plaintiff in the litigation.

16 (4) Upon a showing by the defendant that  
17 unrestricted participation during the course of the  
18 litigation by the qui tam plaintiff would be for  
19 purposes of harassment or would cause the defendant  
20 undue burden or unnecessary expense, the court may  
21 limit the participation by the qui tam plaintiff in the  
22 litigation.

23 c. If the state elects not to proceed with the  
24 action, the qui tam plaintiff shall have the right to  
25 conduct the action. If the state so requests, the  
26 state shall be served with copies of all pleadings  
27 filed in the action and shall be supplied with copies  
28 of all deposition transcripts at the state's expense.  
29 When a qui tam plaintiff proceeds with the action, the  
30 court, without limiting the status and rights of the  
31 qui tam plaintiff, may permit the state to intervene at  
32 a later date upon a showing of good cause.

33 d. Whether or not the state proceeds with the  
34 action, upon a showing by the state that certain  
35 actions of discovery by the qui tam plaintiff would  
36 interfere with the state's investigation or prosecution  
37 of a criminal or civil matter arising out of the  
38 same facts, the court may stay such discovery for a  
39 period of not more than sixty days. Such a showing  
40 shall be conducted in camera. The court may extend  
41 the sixty-day period upon a further showing in camera  
42 that the state has pursued the criminal or civil  
43 investigation or proceedings with reasonable diligence  
44 and any proposed discovery in the civil action  
45 will interfere with the ongoing criminal or civil  
46 investigation or proceedings.

47 e. Notwithstanding subsection 2, the state  
48 may elect to pursue the state's claim through any  
49 alternate remedy available to the state, including any  
50 administrative proceeding to determine a civil penalty.

1 If any such alternate remedy is pursued in another  
2 proceeding, the qui tam plaintiff shall have the same  
3 rights in such proceeding as such qui tam plaintiff  
4 would have had if the action had continued under this  
5 section. Any finding of fact or conclusion of law  
6 made in such other proceeding that has become final,  
7 shall be conclusive as to all such parties to an action  
8 under this section. For purposes of this paragraph, a  
9 finding or conclusion is final if it has been finally  
10 determined on appeal to the appropriate court of the  
11 state, if all time for filing such an appeal with  
12 respect to the finding or conclusion has expired, or if  
13 the finding or conclusion is not subject to judicial  
14 review.

15 4. a. (1) If the state proceeds with an action  
16 brought by a qui tam plaintiff under subsection 2, the  
17 qui tam plaintiff shall, subject to subparagraph (2),  
18 receive at least fifteen percent but not more than  
19 twenty-five percent of the proceeds of the action or  
20 settlement of the claim, depending upon the extent to  
21 which the qui tam plaintiff substantially contributed  
22 to the prosecution of the action.

23 (2) If the action is one which the court finds  
24 to be based primarily on disclosures of specific  
25 information, other than information provided by the qui  
26 tam plaintiff, relating to allegations or transactions  
27 in a criminal, civil, or administrative hearing, or  
28 in a legislative, administrative or state auditor  
29 report, hearing, audit, or investigation, or from  
30 the news media, the court may award an amount the  
31 court considers appropriate, but in no case more than  
32 ten percent of the proceeds, taking into account the  
33 significance of the information and the role of the qui  
34 tam plaintiff in advancing the case to litigation.

35 (3) Any payment to a qui tam plaintiff under  
36 subparagraph (1) or (2) shall be made from the  
37 proceeds. Any such qui tam plaintiff shall also  
38 receive an amount for reasonable expenses which the  
39 appropriate court finds to have been necessarily  
40 incurred, plus reasonable attorney fees and costs. All  
41 such expenses, fees, and costs shall be awarded against  
42 the defendant.

43 b. If the state does not proceed with an action  
44 under this section, the qui tam plaintiff or person  
45 settling the claim shall receive an amount which the  
46 court decides is reasonable for collecting the civil  
47 penalty and damages. The amount shall be not less than  
48 twenty-five percent and not more than thirty percent  
49 of the proceeds of the action or settlement and shall  
50 be paid out of such proceeds. Such qui tam plaintiff

1 or person shall also receive an amount for reasonable  
2 expenses which the court finds to have been necessarily  
3 incurred, plus reasonable attorney fees and costs. All  
4 such expenses, fees, and costs shall be awarded against  
5 the defendant.

6 *c.* Whether or not the state proceeds with the  
7 action, if the court finds that the action was brought  
8 by a qui tam plaintiff who planned and initiated  
9 the violation of section 685.2 upon which the action  
10 was brought, the court may, to the extent the court  
11 considers appropriate, reduce the share of the proceeds  
12 of the action which the qui tam plaintiff would  
13 otherwise receive under paragraph "a" or "b", taking  
14 into account the role of that qui tam plaintiff in  
15 advancing the case to litigation and any relevant  
16 circumstances pertaining to the violation. If the qui  
17 tam plaintiff is convicted of criminal conduct arising  
18 from the qui tam plaintiff's role in the violation of  
19 section 685.2, the qui tam plaintiff shall be dismissed  
20 from the civil action and shall not receive any share  
21 of the proceeds of the action. Such dismissal shall  
22 not prejudice the right of the state to continue the  
23 action represented by the attorney general.

24 *d.* If the state does not proceed with the action  
25 and the qui tam plaintiff conducts the action, the  
26 court may award to the defendant reasonable attorney  
27 fees and expenses if the defendant prevails in the  
28 action and the court finds that the claim of the qui  
29 tam plaintiff was clearly frivolous, clearly vexatious,  
30 or brought primarily for purposes of harassment.

31 5. *a.* A court shall not have jurisdiction over an  
32 action brought by a former or present member of the  
33 Iowa national guard under this chapter against a member  
34 of the Iowa national guard arising out of such person's  
35 services in the Iowa national guard.

36 *b.* A qui tam plaintiff shall not bring an action  
37 under subsection 2 which is based upon allegations or  
38 transactions which are the subject of a civil suit or  
39 an administrative civil penalty proceeding in which the  
40 state is already a party.

41 *c.* A court shall not have jurisdiction over an  
42 action under this section based upon the public  
43 disclosure of allegations or transactions in a  
44 criminal, civil, or administrative hearing, or in a  
45 legislative, administrative, or state auditor report,  
46 hearing, audit, or investigation, or from the news  
47 media, unless the action is brought by the attorney  
48 general or the qui tam plaintiff is an original source  
49 of the information.

50 *d.* The state is not liable for expenses which a

1 person incurs in bringing an action under this section.

2 6. Any employee, contractor, or agent who is  
3 discharged, demoted, suspended, threatened, harassed,  
4 or in any other manner discriminated against in  
5 the terms and conditions of employment because of  
6 lawful acts performed by the employee, contractor,  
7 or agent on behalf of the employee, contractor, or  
8 agent or associated others in furtherance of other  
9 efforts to stop a violation of this chapter, shall  
10 be entitled to all relief necessary to make the  
11 employee, contractor, or agent whole. Such relief  
12 shall include reinstatement with the same seniority  
13 status such employee, contractor, or agent would have  
14 had but for the discrimination, two times the amount of  
15 back pay, interest on the back pay, and compensation  
16 for any special damages sustained as a result of  
17 the discrimination, including litigation costs and  
18 reasonable attorney fees. An employee, contractor, or  
19 agent may bring an action in the appropriate district  
20 court of the state for the relief provided in this  
21 subsection.

22 Sec. \_\_\_\_\_. NEW SECTION. 685.4 Procedure — statute  
23 of limitations.

24 1. A subpoena requiring the attendance of a witness  
25 at a trial or hearing conducted under this chapter may  
26 be served at any place in the state, or through any  
27 means authorized in the Iowa rules of civil procedure.

28 2. A civil action under this chapter may not be  
29 brought more than six years after the date on which  
30 the violation of section 685.2 is committed, or more  
31 than three years after the date when facts material  
32 to the right of action are known or reasonably should  
33 have been known by the official of state charged with  
34 responsibility to act in the circumstances, but in no  
35 event more than ten years after the date on which the  
36 violation is committed, whichever occurs last.

37 3. If the state elects to intervene and proceed  
38 with an action brought under this chapter, the state  
39 may file its own complaint or amend the complaint of  
40 a qui tam plaintiff to clarify or add detail to the  
41 claims in which the state is intervening and to add  
42 any additional claims with respect to which the state  
43 contends it is entitled to relief. For statute of  
44 limitations purposes, any such state pleading shall  
45 relate back to the filing date of the complaint of the  
46 qui tam plaintiff who originally brought the action, to  
47 the extent that the claim of the state arises out of  
48 the conduct, transactions, or occurrences set forth,  
49 or attempted to be set forth, in the prior complaint  
50 of that person.

1 4. In any action brought under section 685.3, the  
2 state shall prove all essential elements of the cause  
3 of action, including damages, by a preponderance of the  
4 evidence.

5 5. Notwithstanding any other provision of law, the  
6 Iowa rules of criminal procedure, or the Iowa rules of  
7 evidence, a final judgment rendered in favor of the  
8 state in any criminal proceeding charging fraud or  
9 false statements, whether upon a verdict after trial  
10 or upon a plea of guilty or nolo contendere, shall  
11 estop the defendant from denying the essential elements  
12 of the offense in any action which involves the same  
13 transaction as in the criminal proceeding and which is  
14 brought under section 685.3.

15 Sec. \_\_\_\_ . NEW SECTION. **685.5 Jurisdiction.**

16 1. Any action under section 685.3 may be brought  
17 in any county in which the defendant or, in the case  
18 of multiple defendants, any one defendant can be  
19 found, resides, transacts business, or in which any  
20 act proscribed by section 685.2 occurred. An original  
21 notice as required by the Iowa rules of civil procedure  
22 shall be issued by the appropriate district court and  
23 served in accordance with the Iowa rules of civil  
24 procedure.

25 2. A seal on the action ordered by the court under  
26 section 685.3 shall not preclude the state, local  
27 government, or the qui tam plaintiff from serving  
28 the complaint, any other pleadings, or the written  
29 disclosure of substantially all material evidence and  
30 information possessed by the qui tam plaintiff on the  
31 law enforcement authorities that are authorized under  
32 the law of the state or local government to investigate  
33 and prosecute such actions on behalf of such  
34 governments, except that such seal applies to the law  
35 enforcement authorities so served to the same extent as  
36 the seal applies to other parties in the action.

37 Sec. \_\_\_\_ . NEW SECTION. **685.6 Civil investigative**  
38 **demands.**

39 1. *Issuance and service.*

40 a. If the attorney general, or a designee, for the  
41 purposes of this section, has reason to believe that  
42 any person may be in possession, custody, or control  
43 of any documentary material or information relevant  
44 to a false claims law investigation, the attorney  
45 general, or a designee, may, before commencing a civil  
46 proceeding under section 685.3, subsection 1, or other  
47 false claims law, or making an election under section  
48 685.3, subsection 2, issue in writing and cause to be  
49 served upon such person, a civil investigative demand  
50 requiring any of the following of such person:

1 (1) To produce such documentary material for  
2 inspection and copying.  
3 (2) To answer in writing, written interrogatories  
4 with respect to such documentary material or  
5 information.  
6 (3) To give oral testimony concerning such  
7 documentary material or information.  
8 (4) To furnish any combination of such material,  
9 answers, or testimony.  
10 b. The attorney general may delegate the authority  
11 to issue civil investigative demands under this  
12 subsection. If a civil investigative demand is an  
13 express demand for any product of discovery, the  
14 attorney general, a deputy attorney general, or an  
15 assistant attorney general shall cause to be served,  
16 in any manner authorized by this section, a copy of  
17 such demand upon the person from whom the discovery  
18 was obtained and shall notify the person to whom such  
19 demand is issued of the date on which such copy was  
20 served. Any information obtained by the attorney  
21 general or a designee of the attorney general under  
22 this section may be shared with any qui tam plaintiff  
23 if the attorney general or designee determines  
24 it is necessary as part of any false claims law  
25 investigation.  
26 2. *Contents and deadlines.*  
27 a. Each civil investigative demand issued under  
28 subsection 1 shall state the nature of the conduct  
29 constituting the alleged violation of a false claims  
30 law which is under investigation, and the applicable  
31 provision of law alleged to be violated.  
32 b. If such demand is for the production of  
33 documentary material, the demand shall provide all of  
34 the following:  
35 (1) Describe each class of documentary material to  
36 be produced with such definiteness and certainty as to  
37 permit such material to be fairly identified.  
38 (2) Prescribe a return date for each such class  
39 which will provide a reasonable period of time within  
40 which the material so demanded may be assembled and  
41 made available for inspection and copying.  
42 (3) Identify the false claims law investigator to  
43 whom such material shall be made available.  
44 c. If such demand is for answers to written  
45 interrogatories, the demand shall provide for all of  
46 the following:  
47 (1) Set forth with specificity the written  
48 interrogatories to be answered.  
49 (2) Prescribe dates at which time answers to  
50 written interrogatories shall be submitted.

1 (3) Identify the false claims law investigator to  
2 whom such answers shall be submitted.

3 d. If such demand is for the giving of oral  
4 testimony, the demand shall provide for all of the  
5 following:

6 (1) Prescribe a date, time, and place at which oral  
7 testimony shall be commenced.

8 (2) Identify a false claims law investigator who  
9 shall conduct the examination and the custodian to whom  
10 the transcript of such examination shall be submitted.

11 (3) Specify that such attendance and testimony are  
12 necessary to the conduct of the investigation.

13 (4) Notify the person receiving the demand of the  
14 right to be accompanied by an attorney and any other  
15 representative.

16 (5) Describe the general purpose for which the  
17 demand is being issued and the general nature of the  
18 testimony, including the primary areas of inquiry,  
19 which will be taken pursuant to the demand.

20 e. Any civil investigative demand issued under this  
21 section which is an express demand for any product of  
22 discovery shall not be returned or returnable until  
23 twenty days after a copy of such demand has been served  
24 upon the person from whom the discovery was obtained.

25 f. The date prescribed for the commencement of oral  
26 testimony pursuant to a civil investigative demand  
27 issued under this section shall be a date which is not  
28 less than seven days after the date on which demand is  
29 received, unless the attorney general or an assistant  
30 attorney general designated by the attorney general  
31 determines that exceptional circumstances are present  
32 which warrant the commencement of such testimony within  
33 a lesser period of time.

34 g. The attorney general shall not authorize the  
35 issuance under this section of more than one civil  
36 investigative demand for oral testimony by the same  
37 person, unless the person requests otherwise or unless  
38 the attorney general, after investigation, notifies  
39 that person in writing that an additional demand for  
40 oral testimony is necessary.

41 3. *Protected material or information.*

42 a. A civil investigative demand issued under  
43 subsection 1 shall not require the production of any  
44 documentary material, the submission of any answers  
45 to written interrogatories, or the giving of any oral  
46 testimony if such material, answers, or testimony  
47 would be protected from disclosure under any of the  
48 following:

49 (1) The standards applicable to subpoenas or  
50 subpoenas duces tecum issued by a court of the state to

1 aid in a grand jury investigation.

2 (2) The standards applicable to discovery requests  
3 under the Iowa rules of civil procedure, to the  
4 extent that the application of such standards to any  
5 such demand is appropriate and consistent with the  
6 provisions and purposes of this section.

7 b. Any such demand which is an express demand for  
8 any product of discovery, supersedes any inconsistent  
9 order, rule, or provision of law, other than this  
10 section, preventing or restraining disclosure of such  
11 product of discovery to any person. Disclosure of  
12 any product of discovery pursuant to any such express  
13 demand does not constitute a waiver of any right or  
14 privilege which the person making such disclosure may  
15 be entitled to invoke to resist discovery of trial  
16 preparation materials.

17 4. *Service.*

18 a. Any civil investigative demand issued under  
19 subsection 1 may be served by a false claims law  
20 investigator, or by any official authorized to issue  
21 civil investigative demands.

22 b. Service of any civil investigative demand  
23 issued under subsection 1 or of any petition filed  
24 under subsection 9 may be made upon a partnership,  
25 corporation, association, or other legal entity by any  
26 of the following methods:

27 (1) Delivering an executed copy of such demand  
28 or petition to any partner, executive officer,  
29 managing agent, or general agent of the partnership,  
30 corporation, association, or entity, or to any agent  
31 authorized by appointment or by law to receive service  
32 of process on behalf of such partnership, corporation,  
33 association, or entity.

34 (2) Delivering an executed copy of such demand or  
35 petition to the principal office or place of business  
36 of the partnership, corporation, association, or  
37 entity.

38 (3) Depositing an executed copy of such demand  
39 or petition in the United States mails by registered  
40 or certified mail, with a return receipt requested,  
41 addressed to such partnership, corporation,  
42 association, or entity at its principal office or place  
43 of business.

44 c. Service of any such demand or petition may be  
45 made upon any natural person by any of the following  
46 methods:

47 (1) Delivering an executed copy of such demand or  
48 petition to the person.

49 (2) Depositing an executed copy of such demand  
50 or petition in the United States mails by registered

1 or certified mail, with a return receipt requested,  
2 addressed to the person at the person's residence or  
3 principal office or place of business.

4 *d.* A verified return by the individual serving any  
5 civil investigative demand issued under subsection 1 or  
6 any petition filed under subsection 9 setting forth the  
7 manner of such service shall be proof of such service.  
8 In the case of service by registered or certified mail,  
9 such return shall be accompanied by the return post  
10 office receipt of delivery of such demand.

11 5. *Documentary material.*

12 *a.* The production of documentary material in  
13 response to a civil investigative demand served under  
14 this section shall be made under a sworn certificate,  
15 in such form as the demand designates, by the following  
16 persons, as applicable:

17 (1) In the case of a natural person, the person to  
18 whom the demand is directed.

19 (2) In the case of a person other than a natural  
20 person, a person having knowledge of the facts  
21 and circumstances relating to such production and  
22 authorized to act on behalf of such person.

23 *b.* The certificate shall state that all of the  
24 documentary material required by the demand and in  
25 the possession, custody, or control of the person to  
26 whom the demand is directed has been produced and  
27 made available to the false claims law investigator  
28 identified in the demand.

29 *c.* Any person upon whom any civil investigative  
30 demand for the production of documentary material has  
31 been served under this section shall make such material  
32 available for inspection and copying to the false  
33 claims law investigator identified in such demand at  
34 the principal place of business of such person, or at  
35 such other place as the false claims law investigator  
36 and the person agree and prescribe in writing, or as  
37 the court may direct under subsection 9. Such material  
38 shall be made available on the return date specified in  
39 such demand, or on such later date as the false claims  
40 law investigator may prescribe in writing. Such person  
41 may, upon written agreement between the person and the  
42 false claims law investigator, substitute copies for  
43 originals of all or any part of such material.

44 6. *Interrogatories.*

45 *a.* Each interrogatory in a civil investigative  
46 demand served under this section shall be answered  
47 separately and fully in writing under oath and shall  
48 be submitted under a sworn certificate, in such form  
49 as the demand designates, by the following persons, as  
50 applicable:

1 (1) In the case of a natural person, the person to  
2 whom the demand is directed.

3 (2) In the case of a person other than a natural  
4 person, the person or persons responsible for answering  
5 each interrogatory.

6 b. If any interrogatory is objected to, the reasons  
7 for the objection shall be stated in the certificate  
8 instead of an answer. The certificate shall state  
9 that all information required by the demand and in  
10 the possession, custody, control, or knowledge of  
11 the person to whom the demand is directed has been  
12 submitted. To the extent that any information is not  
13 furnished, the information shall be identified and  
14 reasons set forth with particularity regarding the  
15 reasons why the information was not furnished.

16 7. *Oral examinations.*

17 a. The examination of any person pursuant to a  
18 civil investigative demand for oral testimony served  
19 under this section shall be taken before an officer  
20 authorized to administer oaths and affirmations by  
21 the laws of this state or of the place where the  
22 examination is held. The officer before whom the  
23 testimony is to be taken shall put the witness on oath  
24 or affirmation and shall, personally or by someone  
25 acting under the direction of the officer and in  
26 the officer's presence, record the testimony of the  
27 witness. The testimony shall be taken stenographically  
28 and shall be transcribed. When the testimony is fully  
29 transcribed, the officer before whom the testimony is  
30 taken shall promptly transmit a copy of the transcript  
31 of the testimony to the custodian. This subsection  
32 shall not preclude the taking of testimony by any means  
33 authorized by, and in a manner consistent with, the  
34 Iowa rules of civil procedure.

35 b. The false claims law investigator conducting  
36 the examination shall exclude from the place where  
37 the examination is held all persons except the person  
38 giving the testimony, the attorney for and any other  
39 representative of the person giving the testimony, the  
40 attorney for the state, any person who may be agreed  
41 upon by the attorney for the state and the person  
42 giving the testimony, the officer before whom the  
43 testimony is to be taken, and any stenographer taking  
44 such testimony.

45 c. The oral testimony of any person taken pursuant  
46 to a civil investigative demand served under this  
47 section shall be taken in any state in which such  
48 person resides, is found, or transacts business, or in  
49 such other place as may be agreed upon by the false  
50 claims law investigator conducting the examination and

1 such person.

2 *d.* When the testimony is fully transcribed, the  
3 false claims law investigator or the officer before  
4 whom the testimony is taken shall afford the witness,  
5 who may be accompanied by counsel, a reasonable  
6 opportunity to examine and read the transcript, unless  
7 such examination and reading are waived by the witness.  
8 Any changes in form or substance which the witness  
9 desires to make shall be entered and identified upon  
10 the transcript by the officer or the false claims law  
11 investigator, with a statement of the reasons given by  
12 the witness for making such changes. The transcript  
13 shall then be signed by the witness, unless the witness  
14 in writing waives the signing, is ill, cannot be found,  
15 or refuses to sign. If the transcript is not signed by  
16 the witness within thirty days after being afforded a  
17 reasonable opportunity to examine the transcript, the  
18 officer or the false claims law investigator shall sign  
19 the transcript and state on the record the fact of the  
20 waiver, illness, absence of the witness, or the refusal  
21 to sign, together with the reasons, if any, for the  
22 waiver, illness, absence, or refusal.

23 *e.* The officer before whom the testimony is taken  
24 shall certify on the transcript that the witness was  
25 sworn by the officer and that the transcript is a true  
26 record of the testimony given by the witness, and the  
27 officer or false claims law investigator shall promptly  
28 deliver the transcript, or send the transcript by  
29 registered or certified mail, to the custodian.

30 *f.* Upon payment of reasonable charges for a copy,  
31 the false claims law investigator shall furnish a copy  
32 of the transcript to the witness only, except that the  
33 attorney general, the deputy attorney general, or an  
34 assistant attorney general may, for good cause, limit  
35 such witness to inspection of the official transcript  
36 of the witness' testimony.

37 *g.* (1) Any person compelled to appear for oral  
38 testimony under a civil investigative demand issued  
39 under subsection 1 may be accompanied, represented, and  
40 advised by counsel. Counsel may advise such person,  
41 in confidence, with respect to any question asked of  
42 such person. Such person or counsel may object on  
43 the record to any question, in whole or in part, and  
44 shall briefly state for the record the reason for the  
45 objection. An objection may be made, received, and  
46 entered upon the record when it is claimed that such  
47 person is entitled to refuse to answer the question  
48 on the grounds of any constitutional or other legal  
49 right or privilege, including the privilege against  
50 self-incrimination. Such person may not otherwise

1 object to or refuse to answer any question, and may not  
2 directly or through counsel otherwise interrupt the  
3 oral examination. If such person refuses to answer any  
4 question, a petition may be filed in the district court  
5 of the state under subsection 9 for an order compelling  
6 such person to answer such question.

7 (2) If such person refuses to answer any  
8 question on the grounds of the privilege against  
9 self-incrimination, the testimony of such person may be  
10 compelled in accordance with applicable law.

11 *h.* Any person appearing for oral testimony under a  
12 civil investigative demand issued under subsection 1  
13 shall be entitled to the same fees and allowances which  
14 are paid to witnesses in the district courts of the  
15 state.

16 8. *Custodians of documents, answers, and*  
17 *transcripts.*

18 *a.* The attorney general shall designate a false  
19 claims law investigator to serve as custodian of  
20 documentary material, answers to interrogatories, and  
21 transcripts of oral testimony received under this  
22 section, and shall designate such additional false  
23 claims law investigators as the attorney general  
24 determines from time to time to be necessary to serve  
25 as deputies to the custodian.

26 *b.* (1) A false claims law investigator who  
27 receives any documentary material, answers to  
28 interrogatories, or transcripts of oral testimony under  
29 this section shall transmit them to the custodian.  
30 The custodian shall take physical possession of  
31 such material, answers, or transcripts and shall  
32 be responsible for their use and for the return of  
33 documentary material under paragraph "d".

34 (2) The custodian may cause the preparation of  
35 such copies of such documentary material, answers to  
36 interrogatories, or transcripts of oral testimony as  
37 may be required for official use by any false claims  
38 law investigator, or other officer or employee of the  
39 department of justice. Such material, answers, and  
40 transcripts may be used by any such authorized false  
41 claims law investigator or other officer or employee  
42 in connection with the taking of oral testimony under  
43 this section.

44 (3) Except as otherwise provided in this  
45 subsection, documentary material, answers to  
46 interrogatories, or transcripts of oral testimony,  
47 or copies of documentary materials, answers or  
48 transcripts, while in the possession of the custodian,  
49 shall not be available for examination by any  
50 individual other than a false claims law investigator

1 or other officer or employee of the department  
2 of justice authorized under subparagraph 2. This  
3 prohibition on the availability of material, answers,  
4 or transcripts shall not apply if consent is given  
5 by the person who produced such material, answers,  
6 or transcripts, or, in the case of any product of  
7 discovery produced pursuant to an express demand  
8 for such material, consent is given by the person  
9 from whom the discovery was obtained. Nothing in  
10 this subparagraph is intended to prevent disclosure  
11 to the general assembly, including any committee  
12 or subcommittee of the general assembly, or to any  
13 other agency of the state for use by such agency in  
14 furtherance of its statutory responsibilities.

15 (4) While in the possession of the custodian and  
16 under such reasonable terms and conditions as the  
17 attorney general shall prescribe all of the following  
18 shall apply, as applicable:

19 (a) Documentary material and answers to  
20 interrogatories shall be available for examination by  
21 the person who produced such material or answers, or  
22 by a representative of that person authorized by that  
23 person to examine such material and answers.

24 (b) Transcripts of oral testimony shall be  
25 available for examination by the person who produced  
26 such testimony, or by a representative of that person  
27 authorized by that person to examine such transcripts.

28 c. If an attorney of the department of justice  
29 has been designated to appear before any court, grand  
30 jury, state agency, or federal agency in any case or  
31 proceeding, the custodian of any documentary material,  
32 answers to interrogatories, or transcripts of oral  
33 testimony received under this section may deliver to  
34 such attorney such material, answers, or transcripts  
35 for official use in connection with any such case or  
36 proceeding as such attorney determines to be required.  
37 Upon the completion of any such case or proceeding,  
38 such attorney shall return to the custodian any such  
39 material, answers, or transcripts delivered which have  
40 not passed into the control of such court, grand jury,  
41 or agency through introduction into the record of such  
42 case or proceeding.

43 d. If any documentary material has been produced  
44 by any person in the course of any false claims  
45 law investigation pursuant to a civil investigative  
46 demand under this section, and any case or proceeding  
47 before the court or grand jury arising out of such  
48 investigation, or any proceeding before any state  
49 agency or federal agency involving such material,  
50 has been completed, or a case or proceeding in which

1 such material may be used has not been commenced  
2 within a reasonable time after completion of the  
3 examination and analysis of all documentary material  
4 and other information assembled in the course of such  
5 investigation, the custodian shall, upon written  
6 request of the person who produced such material,  
7 return to such person any such material, other than  
8 copies furnished to the false claims law investigator  
9 under subsection 5 or made for the department of  
10 justice under paragraph "b" which has not passed  
11 into the control of any court, grand jury, or agency  
12 through introduction into the record of such case or  
13 proceeding.

14 e. (1) In the event of the death, disability, or  
15 separation from service in the department of justice  
16 of the custodian of any documentary material, answers  
17 to interrogatories, or transcripts of oral testimony  
18 produced pursuant to a civil investigative demand under  
19 this section, or in the event of the official relief  
20 of such custodian from responsibility for the custody  
21 and control of such material, answers, or transcripts,  
22 the attorney general shall promptly do all of the  
23 following:

24 (a) Designate another false claims law investigator  
25 to serve as custodian of such material, answers, or  
26 transcripts.

27 (b) Transmit in writing to the person who produced  
28 such material, answers, or testimony notice of the  
29 identity and address of the successor designated.

30 (2) Any person who is designated to be a successor  
31 under this paragraph "e" shall have, with regard to  
32 such material, answers, or transcripts, the same duties  
33 and responsibilities as were imposed by this section  
34 upon that person's predecessor in office, except that  
35 the successor shall not be held responsible for any  
36 default or dereliction which occurred before that  
37 designation.

38 9. *Judicial proceedings.*

39 a. If a person fails to comply with any civil  
40 investigative demand issued under subsection 1, or if  
41 satisfactory copying or reproduction of any material  
42 requested in such demand cannot be completed and such  
43 person refuses to surrender such material, the attorney  
44 general may file, in the district court of the state  
45 for any county in which such person resides, is found,  
46 or transacts business, and serve upon such person, a  
47 petition for an order of such court for the enforcement  
48 of the civil investigative demand.

49 b. (1) A person who has received a civil  
50 investigative demand issued under subsection 1 may

1 file, in the district court of the state for the  
2 county within which such person resides, is found, or  
3 transacts business, and serve upon the false claims  
4 law investigator identified in such demand, a petition  
5 for an order of the court to modify or set aside such  
6 demand. In the case of a petition addressed to an  
7 express demand for any product of discovery, a petition  
8 to modify or set aside such demand may be brought only  
9 in the district court of the state for the county  
10 in which the proceeding in which such discovery was  
11 obtained is or was last pending. Any petition under  
12 this paragraph shall be filed in accordance with the  
13 following, as applicable:

14 (a) Within twenty days after the date of service of  
15 the civil investigative demand, or at any time before  
16 the return date specified in the demand, whichever date  
17 is earlier.

18 (b) Within such longer period as may be prescribed  
19 in writing by any false claims law investigator  
20 identified in the demand.

21 (2) The petition shall specify each ground upon  
22 which the petitioner relies in seeking relief under  
23 subparagraph (1), and may be based upon any failure  
24 of the demand to comply with the provisions of this  
25 section or upon any constitutional or other legal right  
26 or privilege of such person. During the pendency of  
27 the petition in the court, the court may stay, as it  
28 deems proper, the running of the time allowed for  
29 compliance with the demand, in whole or in part, except  
30 that the person filing the petition shall comply with  
31 any portions of the demand not sought to be modified  
32 or set aside.

33 c. (1) In the case of any civil investigative  
34 demand issued under subsection 1 which is an express  
35 demand for any product of discovery, the person from  
36 whom such discovery was obtained may file, in the  
37 district court of the state for the county in which  
38 the proceeding in which such discovery was obtained is  
39 or was last pending, and serve upon any false claims  
40 law investigator identified in the demand and upon the  
41 recipient of the demand, a petition for an order of  
42 such court to modify or set aside those portions of  
43 the demand requiring production of any such product  
44 of discovery. Any petition under this subparagraph  
45 shall be filed in accordance with the following, as  
46 applicable:

47 (a) Within twenty days after the date of service of  
48 the civil investigative demand, or at any time before  
49 the return date specified in the demand, whichever date  
50 is earlier.

1 (b) Within such longer period as may be prescribed  
2 in writing by any false claims law investigator  
3 identified in the demand.

4 (2) The petition shall specify each ground upon  
5 which the petitioner relies in seeking relief under  
6 subparagraph (1), and may be based upon any failure of  
7 the portions of the demand from which relief is sought  
8 to comply with the provisions of this section, or upon  
9 any constitutional or other legal right or privilege of  
10 the petitioner. During the pendency of the petition,  
11 the court may stay, as it deems proper, compliance with  
12 the demand and the running of the time allowed for  
13 compliance with the demand.

14 d. At any time during which any custodian is in  
15 custody or control of any documentary material or  
16 answers to interrogatories produced, or transcripts of  
17 oral testimony given, by any person in compliance with  
18 any civil investigative demand issued under subsection  
19 1, such person, and in the case of an express demand  
20 for any product of discovery, the person from whom such  
21 discovery was obtained, may file, in the district court  
22 of state for the judicial district within which the  
23 office of such custodian is located, and serve upon  
24 such custodian, a petition for an order of such court  
25 to require the performance by the custodian of any duty  
26 imposed upon the custodian by this section.

27 e. If a petition is filed in any district court  
28 of the state under this subsection, such court shall  
29 have jurisdiction to hear and determine the matter so  
30 presented, and to enter such order or orders as may be  
31 required to carry out the provisions of this section.  
32 Any final order so entered shall be subject to appeal  
33 in accordance with the Iowa rules of civil procedure.  
34 Any disobedience of any final order entered under this  
35 section by any court shall be punished as a contempt  
36 of the court.

37 f. The Iowa rules of civil procedure shall apply to  
38 any petition under this subsection, to the extent that  
39 such rules are not inconsistent with the provisions of  
40 this section.

41 10. *Disclosure exemption.* Any documentary material,  
42 answers to written interrogatories, or oral testimony  
43 provided under any civil investigative demand issued  
44 under subsection 1 shall be deemed confidential and  
45 exempt from disclosure under chapter 22.

46 Sec. \_\_\_\_ . NEW SECTION. 685.7 Rulemaking authority.

47 The attorney general may adopt such rules and  
48 regulations as are necessary to effectuate the purposes  
49 of this chapter.

50 Sec. \_\_\_\_ . ANNUAL REPORTING REQUIREMENT. On the

1 thirtieth day after the effective date of this division  
2 of this Act, and on the anniversary of the effective  
3 date of this division of this Act each year thereafter,  
4 the attorney general shall submit to the chairpersons  
5 and ranking members of the house and senate committees  
6 on judiciary, the legislative caucus staffs, and the  
7 legislative services agency, in electronic format, a  
8 report containing all of the following information:

9 1. The number of cases the attorney general filed  
10 during the previous calendar year under this chapter.

11 2. The number of cases qui tam plaintiffs filed  
12 under this chapter during the previous calendar year,  
13 including those cases that remain under seal, and  
14 specifying all of the following for the cases:

15 a. The state or federal court in which each case  
16 was filed and the total number filed in each court.

17 b. The state program or agency involved in each  
18 case.

19 c. The number of cases filed by qui tam plaintiffs  
20 who previously filed an action based on the same or  
21 similar transaction or allegation under the federal  
22 False Claims Act or the false claims act of another  
23 state.

24 3. The amount recovered by the state in the form of  
25 settlement, damages, penalties, and litigation costs,  
26 if known, and specifying the following for each case:

27 a. The case number and parties for each case in  
28 which there was a recovery.

29 b. The amount of funds recovered respectively for  
30 damages, penalties, and litigation costs.

31 c. The percentage of the recovery and the amount  
32 that the state paid to any qui tam plaintiff.

33 Sec. \_\_\_\_ . DEPARTMENT OF JUSTICE — FALSE CLAIMS ACT  
34 ENFORCEMENT. There is appropriated from the general  
35 fund of the state to the department of justice for the  
36 fiscal year beginning July 1, 2010, and ending June 30,  
37 2011, the following amount, or so much thereof as is  
38 necessary, to be used for the purposes designated:

39 For the general office of the attorney general,  
40 including salaries, support, maintenance, miscellaneous  
41 purposes, and for not more than the following full-time  
42 equivalent positions:

43 ..... \$ 60,000  
44 ..... FTEs 1.00>>

45 48. Page 212, line 35, by striking <under a> and  
46 inserting <under each>

47 49. Page 213, line 2, by striking <waivers> and  
48 inserting <applicable waiver>

49 50. Page 213, line 5, after <median> by inserting  
50 <as applicable to each waiver. The use of trigger

1 mechanism and the approval process is intended to  
2 preserve necessary services while preventing overuse  
3 of services>

4 51. By striking page 220, line 17, through page  
5 222, line 2.

6 52. Page 222, by striking lines 5 through 32.

7 53. By striking page 223, line 34, through page  
8 224, line 12.

9 54. Page 246, line 30, by striking <REPEAL OF>

10 55. Page 247, after line 9 by inserting:

11 <Sec. \_\_\_\_\_. Section 135.107, subsection 5, paragraph  
12 a, Code Supplement 2009, is amended to read as follows:

13 a. There is established an advisory committee to  
14 the center for rural health and primary care consisting  
15 of one representative, approved by the respective  
16 agency, of each of the following agencies: the  
17 department of agriculture and land stewardship, the  
18 Iowa department of public health, the department of  
19 inspections and appeals, the national institute for  
20 rural health policy, the rural health resource center,  
21 the institute of agricultural medicine and occupational  
22 health, and the Iowa state association of counties.  
23 The governor shall appoint two representatives of  
24 consumer groups active in rural health issues and a  
25 representative of each of two farm organizations active  
26 within the state, a representative of an agricultural  
27 business in the state, a representative of a critical  
28 needs hospital, a practicing rural family physician,  
29 a practicing rural physician assistant, a practicing  
30 rural advanced registered nurse practitioner, and  
31 a rural health practitioner who is not a physician,  
32 physician assistant, or advanced registered nurse  
33 practitioner, as members of the advisory committee.  
34 The advisory committee shall also include as members  
35 two state representatives, one appointed by the speaker  
36 of the house of representatives and one by the minority  
37 leader of the house, and two state senators, one  
38 appointed by the majority leader of the senate and one  
39 by the minority leader of the senate.>

40 56. Page 247, by striking line 17 and inserting:

41 <Sec. \_\_\_\_\_. REPEAL. Sections 135.28, 135N.1,  
42 135N.2, ~~135N.3~~, 135N.4, 135N.5, 135N.6, and 142C.16,  
43 Code 2009, are repealed.>

44 57. Page 248, after line 29 by inserting:

45 <DIVISION \_\_\_\_\_  
46 DEPARTMENT OF HUMAN  
47 SERVICES — LEVEL OF CARE

48 Sec. \_\_\_\_\_. LEVEL OF CARE EVALUATION. The department  
49 of human services shall amend the medical assistance  
50 program home and community-based services waiver for

1 persons with intellectual disabilities so that required  
2 evaluations performed subsequent to the initial  
3 diagnosis of mental retardation are for the purpose of  
4 determining the appropriate level of care rather than  
5 confirming the original diagnosis.>

6 58. Page 248, after line 29 by inserting:

7 <DIVISION \_\_\_\_\_

8 DEPARTMENT OF HUMAN

9 SERVICES — TRANSPORTATION SERVICES

10 Sec. \_\_\_\_\_. INCLUSION OF TRANSPORTATION

11 SERVICES. The department of human services shall amend  
12 the medical assistance program home and community-based  
13 services waiver for persons with intellectual  
14 disabilities as necessary for employment-related  
15 transportation to be covered by the supported community  
16 living services provider.>

17 59. Page 248, lines 31 and 32, by striking <FUNDS  
18 TRANSFER PAYMENTS> and inserting <TRANSACTIONS>

19 60. Page 248, before line 33 by inserting:

20 <Sec. \_\_\_\_\_. Section 217.6, Code 2009, is amended by  
21 adding the following new unnumbered paragraph:

22 NEW UNNUMBERED PARAGRAPH. If the department of  
23 human services requires or requests a service consumer,  
24 service provider, or other person to maintain required  
25 documentation in electronic form, the department shall  
26 accept such documentation submitted by electronic  
27 means and shall not require a physical copy of the  
28 documentation unless required by state or federal law.>

29 61. By striking page 249, line 12, through page  
30 250, line 7.

31 62. Page 252, line 32, after <subdivision> by  
32 inserting <and hired by the political subdivision>

33 63. Page 253, after line 3 by inserting:

34 <Sec. \_\_\_\_\_. Section 80B.11E, subsection 1, Code  
35 2009, is amended to read as follows:

36 1. Notwithstanding any other provision of law to  
37 the contrary, an individual who is not a certified law  
38 enforcement officer may apply for attendance at the  
39 law enforcement academy ~~at their own expense~~ if such  
40 individual is sponsored by a law enforcement agency  
41 that either intends to hire or has hired the individual  
42 as a law enforcement officer on the condition that the  
43 individual meets the minimum eligibility standards  
44 described in subsection 2. The costs for attendance by  
45 such an individual at the law enforcement academy shall  
46 be paid as provided in section 80B.11B.>

47 64. Page 253, line 19, by striking four and  
48 inserting two

49 65. Page 254, line 26, by striking 2014 and  
50 inserting 2013

1 66. Page 254, line 27, by striking fourth and  
2 inserting second  
3 67. By renumbering as necessary.